DOCUMENT RESUME

ED 205 135 HE 014 178

TITLE	Final Annual Report on Faculty Salaries in California Public Higher Education: 1981-1982.
INSTITUTION	California State Postsecondary Education Commission, Sacramento.
PUB DATE	May 81
NOTE	219p.
AVAILABLE FROM	California Postsecondary Education Commission, 1020 12th St., Sacramento, CA 95814.
EDRS PRICE	MF01/PC09 Plus Postage.
DESCRIPTORS	*College Faculty: *Community Colleges: Comparative Analysis: Cost Indexes: Economic Status: Faculty Workload: Fringe Benefits: Full Time Faculty: Higher Education: *Income: Multiple Employment: Part Time Faculty: Salary Wage Differentials: *State Colleges: State Surveys: State Universities: *Teacher Employment Benefits: *Teacher Salaries: Teaching (Occupation)
IDENTIFIERS	*California

ABSTRACT

Data for 1981-1981 on faculty salaries in California state colleges and universities are presented and interpreted. In addition to information on the University of California and the California State University and Colleges, salary data are also included for the California community colleges. Segmental salary requests and projections from the comparison institutions for both salaries and the cost of fringe benefits are examined, along with the general economic status of the profession. Indices for determining the cost-of-living are presented, and various economic forecasts are analyzed. The financial welfare of faculty vis-a-vis other professional groups are compared: studies of outside income received by faculty are reviewed, and the problem of competition for faculty from the business and governmental sectors is addressed. Among the conclusions are the following: University of California and California State University faculty have a salary advantage over the combined average salary paid by their comparison institutions (both within and outside California): however, they will need increases to equal the projected salaries at their comparison institutions: in most cases, employees in other professions have received greater salary increases than faculty at either the University or the State University over the past 10 years, although State University faculty have fared slightly better than University faculty: full-time faculty in the community colleges earn about two-and-one-half times as much as part-time faculty for each weekly faculty contact hour taught. It is suggested that faculty salary range adjustments geared solely to comparison institution data are insufficient. Information on the study methodology and supplemental information are appended. (SW)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED205135

May 1981

Final Annual Report on Faculty Salaries in California Public Higher Education: 1981 - 1982

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☐ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
- Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
Calif PSE
Commission
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

HE 014 173

CALIFORNIA
POSTSECONDARY
EDUCATION
COMMISSION

TABLE OF CONTENTS

Page

CHAPTER I: INTRODUCTION 1

History of the Salary Reports 2

CHAPTER II: SEGMENTAL REQUESTS FOR FACULTY SALARIES AND THE COST OF FRINGE BENEFITS 4

University of California 4
California State University and Colleges 7

CHAPTER III: PROJECTED SALARIES AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES REQUIRED FOR PARITY WITH THE COMPARISON INSTITUTION GROUP PROJECTIONS, 1980-81 AND 1981-82 12

CHAPTER IV: FACULTY SALARIES AND ECONOMIC CONDITIONS 18

CHAPTER V: COMPARISONS WITH OTHER OCCUPATIONAL GROUPS 30

CHAPTER VI: SUPPLEMENTAL INCOME AND EXTERNAL COMPETITION FOR TALENT 43

External Competition for Talent 46

CHAPTER VII: PROJECTED COST OF FRINGE BENEFITS AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES AND AT THEIR RESPECTIVE COMPARISON INSTITUTIONS 63

CHAPTER VIII: CALIFORNIA COMMUNITY COLLEGE FACULTY SALARIES 65

General Description of Community College Salaries and Salary Structures for 1980-81 69

CHAPTER IX: MISCELLANEOUS ITEMS: COLLECTIVE BARGAINING; MEDICAL FACULTY SALARIES AT THE UNIVERSITY OF CALIFORNIA 74

Collective Bargaining 74
Medical Faculty Salaries 75

CHAPTER X: FINDINGS AND CONCLUSIONS 82

FOOTNOTES 87

LIST OF TABLES

Page

TABLE 1 Percentage Increases Requested by the University of California and the California State University and Colleges and the Amounts Granted by the Governor and the Legislature, 1966-67 Through 1981-82 5

TABLE 2 Number of FTE Faculty at the University of California, 1971-72 Through 1981-82 6

TABLE 3 Percentage Gains or Losses in Real Income for Faculty of the California State University and Colleges From Various Base Years to 1980-81 9

TABLE 4 Percentage Increases in Faculty Salaries Relative to State Employees' Salaries from Various Base Years to 1980-81 10

TABLE 5 Average Annual Percentage Differences in Salary Increases Between California State Civil Service Employees and Faculty of the University of California and the California State University and Colleges from Various Base Years to 1980-81 . . 11

TABLE 6 All Ranks Average Salary Required at the University of California and the California State University and Colleges to Equal the Comparison Institution Projections for 1980-81 and 1981-82 . . 12

TABLE 7 Annual Percentage Increases, Rank-by-Rank, at the University of California and the California State University and Colleges Comparison Institutions 1975-76 to 1980-81 14

TABLE 8 Projected University of California Parity Requirements Using Alternative Rates of Growth at Comparison Institutions 16

TABLE 9 Projected California State University and Colleges Parity Requirements Using Alternative Rates of Growth at Comparison Institutions 17

TABLE 10 Comparison Between the Annual Percentage Increases in the Consumer Price Index and the Personal Consumption Expenditures Index, 1968-69 to 1980-81 21

LIST OF TABLES (Continued)

		Page
TABLE 20	Changes in Real Salaries for Faculty at the University of California and the California State University and Colleges, 1969-70 to 1979-80	42
TABLE 21	Percent of Faculty Indicating First or Second Largest Source of Supplemental Income, 1974-75 . .	44
TABLE 22	Supplemental Income as a Percentage of Base Salary for Faculty in Eleven Academic Disciplines at Twelve Research Universities, 1977-78	44
TABLE 23	Existing and Proposed Academic Salary Structures, California State University and Colleges, 1980-81 .	52
TABLE 24	California State University and Colleges Faculty Distribution by Rank and Step, 1979-80	54
TABLE 25	University of California Faculty Distribution by Rank and Step, 1980-81 (Headcount)	55
TABLE 26	Academic Salary Structure, University of California, 1980-81	57
TABLE 27	Salaries Paid to University of California and California State University and Colleges Faculty Over a Twenty Year Period	58
TABLE 28	All-Ranks Average Cost of Fringe Benefits at the University of California and the California State University and Colleges, Required to Equal ~~the~~ Comparison Institution Projections for 1981-82 . .	64
TABLE 29	Requirements for Qualification for the Highest Faculty Salary Range in Eight Community College Districts	68
TABLE 30	Faculty Salary Schedules for the University of California, the California State University and Colleges, and the San Francisco Community College District, 1980-81	70
TABLE 31	Highest and Lowest Salaries Paid by California Community Colleges, 1977-78 to 1980-81	71

LIST OF TABLES (Continued)

Page

TABLE 32 Full-Time and Part-Time Faculty in the California Community Colleges, 1978-79 Through 1980-81 72

TABLE 33 Ranking of University of California Medical Faculty Salaries in Relation to Comparison Institutions, 1978-79 to 1980-81 76

TABLE 34 University of California Average Medical Faculty Salaries Compared to Average Medical Faculty Salaries at the Comparison Institutions, 1978-79 to 1980-81 77

LIST OF CHARTS

CHART 1 Annual Percentage Increases in the Consumer Price Index (CPI) and the Personal Consumption Expenditures Index (PCE) 1968-69 Through 1980-81

CHART 2 Comparison of the Consumer Price Index (CPI), the Rent Equivalent Index for the CPI, and the Personal Consumption Expenditures Index (PCE) December to December 1968 Through 1980

CHART 3 Annual Changes in the Consumer Price Index (CPI) for the United States and California (All Urban Consumers) 1970-71 Through 1979-80

CHART 4 Annual Changes in the Consumer Price Index (CPI) for the United States, L.A.-Long Beach-Anaheim, S.F.-Oakland, and San Diego, 1970-71 Through 1979-80

CHART 5 Predicted Annual Increases in the Consumer Price Index and the Personal Consumption Expenditures Index (UCLA Grad School of Mgmt) 1980 Through 1984

CHART 6 Comparison of the CPI, the PCE, Federal Employee Salary Increases, State Employee Salary Increases, and UC & CSUC Faculty Salary Increases 1960-61 Through 1980-81

CHART 7 Comparison of the CPI, the PCE, Federal Employee Salary Increases, State Employee Salary Increases, and UC & CSUC Faculty Salary Increases 1960-61 Through 1970-71

CHART 8 Comparison of the CPI, the PCE, Federal Employee Salary Increases, State Employee Salary Increases, and UC & CSUC Faculty Salary Increases 1970-71 Through 1980-81

CHART 9 Percentage Salary Increases for UC and CSUC Associate Professors and Other Occupational Groups 1961-62 to 1979-80 -- 1961-62 to 1970-71 -- 1970-71 to 1979-80

CHART 10 Percentage of Faculty at Each Step (Total Faculty at Top Three Ranks) California State University and Colleges 1977-78 to 1979-80

CHART 11 Percentage of Faculty at Each Step (Professors) California State University and Colleges 1977-78 to 1979-80

CHART 12 Percentage of Faculty at Each Step (Associate Professors) California State University and Colleges 1977-78 to 1979-80

CHART 13 Percentage of Faculty at Each Step (Assistant Professors) California State University and Colleges 1977-78 to 1979-80

CHART 14 University of California Faculty Distribution by Rank and Step, 1980-81

CHART 15 Simulation of Salaries Paid to a University of California Faculty Member and a California State University and Colleges' Faculty Member Over a Twenty Year Period

CHART 16 Salaries Paid to University of California and California State University and Colleges Faculty Over a Thirty Year Period (First Ten Years)

CHART 17 Salaries Paid to University of California and California State University and Colleges Faculty Over a Thirty Year Period (Second Ten Years)

CHART 18 Salaries Paid to University of California and California State University and Colleges Faculty Over a Thirty Year Period (Third Ten Years)

CHART 19 Medical Faculty Salaries at the University of California and Seven Comparison Institutions--1980-81, Department of Medicine

CHART 20 Medical Salaries at the University of California and Seven Comparison Institutions--1980-81, Department of Pediatrics

CHART 21 Medical Faculty Salaries at the University of California and Seven Comparison Institutions--1980-81, Department of Surgery

CHAPTER I

INTRODUCTION

Annually, in accordance with Senate Concurrent Resolution No. 51, 1/ the University of California and the California State University and Colleges submit to the Commission data on faculty salaries and the cost of fringe benefits for their respective segments and for a group of comparison institutions. 2/ On the basis of these data, Commission staff develops estimates of the percentage changes in salaries and the cost of fringe benefits required to attain parity with the comparison groups in the forthcoming fiscal year. The methodology by which these data are collected and analyzed is designed by the Commission in consultation with the two segments, the Department of Finance, and the Office of the Legislative Analyst. Commission staff audits the data and prepares two reports--a preliminary report in the Fall and a final report in the Spring--which are transmitted to the Governor, the Legislature, and appropriate officials.

In addition to the reports on the four-year segments, California Community College salary data has also been published beginning with the Spring report for the 1979-80 fiscal year. This report was developed as a result of a recommendation by the Legislative Analyst in his Analysis of the Budget Bill, 1979-80 which directed that the California Postsecondary Education Commission "include community college salaries and benefits in its annual report on faculty salaries."

This final report contains ten chapters. Included are discussions of segmental salary requests and projections from the comparison institutions for both salaries and the cost of fringe benefits. There is a chapter on economic conditions which includes comments on the general economic status of the profession, a presentation of the various indices for determining the cost-of-living, and an analysis of the economic forecasts of several research groups. Other chapters compare the financial welfare of faculty vis-a-vis other professional groups, review some of the studies of outside income received by faculty, and discuss the problem of competition for faculty from the business and governmental sectors. The final chapter presents Commission staff's findings and conclusions for the 1981-82 fiscal year.

History of the Salary Reports

The impetus for the faculty salary reports came from the Master Plan Survey Team in 1960, which recommended that:

> 3. Greatly increased salaries and expanded fringe benefits, such as health and group life insurance, leaves, and travel funds to attend professional meetings, housing, parking and moving expenses, be provided for faculty members in order to make college and university teaching attractive as compared with business and industry.
>
> 8. Because of the continual change in faculty demand and supply, the coordinating agency annually collect pertinent data from all segments of higher education in the state and thereby make possible the testing of the assumptions underlying this report. 3/

For four years thereafter, the Legislature continually sought information regarding faculty compensation, information which came primarily from the Legislative Analyst in his Analysis of the Budget Bill and from the Coordinating Council for Higher Education in its annual reports to the Governor and the Legislature on the level of support for public higher education. While undoubtedly helpful to the process of determining faculty compensation levels, these reports were considered to be insufficient, especially by the Assembly, which consequently requested the Legislative Analyst to prepare a specific report on the subject. 4/

Early in the 1965 General Session, the Legislative Analyst presented his report and recommended that the process of developing data for use by the Legislature and the Governor in determining faculty compensation be formalized. This recommendation was embodied in Senate Concurrent Resolution No. 51, which specifically directed the Coordinating Council to prepare annual reports in cooperation with the University of California and the then California State Colleges.

Since that time, the Coordinating Council and, subsequently, the Commission, have submitted reports to the Governor and the Legislature. The first, a preliminary report, is released in December as an aid to the Department of Finance in developing the Governor's Budget; the second, a final report, 5/ is issued in the Spring for use by the legislative fiscal committees during budget hearings.

In each of these reports, faculty salaries and the cost of fringe benefits in California's four-year public segments are compared with those of other institutions (both within and outside of California) for the purpose of maintaining a competitive position. 6/ Traditionally, other indices of faculty economic welfare, such as changes in the Consumer Price Index (CPI) or comparisons with other occupational groups, have not been employed, since the original rationale for the salary surveys was the maintenance of parity within the postsecondary educational community rather than parity vis-a-vis the cost-of-living or business and industry. Erosion in faculty purchasing power was a minor concern since inflation was modest in 1965. The primary objective was to assure that California's public institutions would be able to attract and retain the most qualified faculty members available and thereby at least maintain, and hopefully improve, the quality of educational programs. Throughout the 1960s, there can be little doubt that this is exactly what occurred, since salary increases in most years were greater than the increases in the CPI.

As the State enters the 1980s, it is apparent that economic conditions have changed dramatically. As compensation has fallen behind increases in the cost-of-living, economic data has become more important and the reports have reflected this. Since it can be argued that compensation for college and university teaching and research have not kept pace with the cost-of-living, both the segments and the organizations that represent their faculties have insisted that the comparison approach is no longer adequate as the sole indicator of salary need. Increasingly, they have pointed to the dual conditions of purchasing power erosion and competition from business and industry. As a result, the Commission has included sections on economic conditions in its reports for the past several budget cycles. In this, the fifteenth year of reporting, the economic sections are larger and more comprehensive than in any previous reports. In making this presentation, the Commission believes that the information needed by the Governor, the Legislature, and other interested parties will be provided.

CHAPTER II

SEGMENTAL REQUESTS FOR FACULTY SALARIES AND THE COST OF FRINGE BENEFITS

Each year, the systemwide offices of the University and the State University prepare requests for faculty salary range adjustments and fringe benefit increases for approval by the Regents and the Trustees and subsequent submission to the Governor and the Legislature. The amounts requested and granted since 1965 are shown in Table 1, along with the comparison methodology parity figures.

Although, as Table 1 shows, the average increase granted to State University faculty is approximately 0.5 percent higher than that approved for University faculty since 1966-67, the disparity has been eliminated altogether since 1975. In fact, in the past 15 years, different amounts have been granted to the two four-year segments on only five occasions.

University of California

On November 20 and 21, 1980, the University's Board of Regents discussed faculty salaries for the 1981-82 fiscal year and approved a request for a 9.5 percent increase. In the agenda item accompanying the request (see Appendix G), it was noted that the parity projections, which are based on data from the comparison institutions, indicate the need for a 2.7 percent increase. 7/ In spite of that fact, the University argues that the higher amount is needed in order to keep pace with the rate of inflation, as measured by the predicted change in the Consumer Price Index. In recommending the 9.5 percent figure, which is unrelated to the comparison institution data, the Regents relied on the cost-of-living projections of the UCLA Business Forecasting Project, the Bank of America, and the Department of Finance for 1981-82. 8/

Previous Commission salary reports contained discussions of such matters as the staffing pattern used by the University in making parity projections and its use of only the higher paying of the comparison institutions to develop salary increase requests. For the current cycle, the projected staffing pattern appears to be in conformity with the trends that have been established over the past ten years. (See Table 2.)

In prior years, the differences between the University's projections and the actual staffing patterns have been as high as 14.2 percent. This year, the estimates are much closer as Table 2 indicates. For this reason, the University's projections appear to be reasonable.

TABLE 1

PERCENTAGE INCREASES REQUESTED BY THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES AND THE AMOUNTS GRANTED BY THE GOVERNOR AND THE LEGISLATURE 1966-67 THROUGH 1981-82

	University of California		California State University and Colleges		CCHE/CPEC Comparison Methodology Result	
Year	Requested	Granted	Requested	Granted	UC	CSUC
1966-67	8.1%	2.5%	11.2%	6.7%	2.5%	6.6%
1967-68	7.5	5.0	8.5	5.0	6.5	8.5
1968-69	5.4	5.0	10.5	7.5	5.5	10.0
1969-70	5.3	5.0	5.2	5.0	5.2	5.2
1970-71	7.2	0.0	7.0	0.0	7.2	7.0
1971-72	11.2	0.0	13.0	0.0	11.2	13.0
1972-73	13.1	9.0	13.0	8.4	13.1	13.0
1973-74	6.4	5.4	7.5	7.5	6.4	8.8
1974-75	4.5	5.5	5.5	5.3	4.5	4.2
1975-76	11.0	7.2	10.4	7.2	11.0	9.7
1976-77	4.6	4.3	7.2	4.3	4.6	4.6
1977-78	6.8	5.0	8.5	5.0	5.3	5.3
1978-79	9.3	0.0	9.9	0.0	3.3	3.3
1979-80	16.0	14.5	14.4	14.5	10.1	10.1
1980-81	10.5	9.8	11.0	9.8	5.0	0.8
1981-82	9.5	---	17.7	---	5.8	0.5
Totals		112.3%		129.0%		
Average		5.2%		5.7%		

TABLE 2

NUMBER OF FTE FACULTY AT THE UNIVERSITY OF CALIFORNIA, 1971-72 THROUGH 1981-82

Year	Professor	Associate Professor	Assistant Professor	Total
1971-72	2,331.00	1,177.00	1,858.00	5,366.00
1972-73	2,120.00	1,079.00	1,422.00	4,621.00
1973-74	2,210.00	1,096.00	1,339.00	4,645.00
1974-75	2,295.00	1,126.00	1,223.00	4,644.00
1975-76	2,392.00	1,156.00	1,181.00	4,729.00
1976-77	2,492.00	1,230.00	1,125.00	4,847.00
1977-78	2,501.98	1,141.47	965.74	4,609.19
1978-79	2,593.56	1,131.38	931.24	4,656.18
1979-80	2,660.61	1,096.32	857.11	4,614.04
1980-81 (Est.)	2,774.06	1,037.76	849.89	4,661.71
1981-82 (UC Proj.)	2,861.05	1,023.56	772.18	4,656.79
1981-82 (CPEC Proj.)	2,868.89	1,032.72	796.93	4,698.54
Difference Between UC and CPEC Proj.	+ 0.3%	+ 0.9%	+ 3.2%	+ 0.9%

The other difficulty with last year's Regental request concerned the use of only four of the University's eight comparison institutions to derive the salary increase request. In both the preliminary and final Commission reports for 1980-81, this technique was challenged on the grounds that losses in real income "did not justify a unilateral alteration of the methodology used by the Commission to determine salary needs." 9/

This year, in making recommendations, the University has abandoned the comparison methodology altogether as the State University did some years earlier. The rationale for this change was stated by the University's systemwide administration:

> In periods of economic stability with low inflation rates, comparison data provide a relatively good measure of compensation requirements. However, in the current economic climate, comparison data based on historical patterns (previous five years) fail to account sufficiently for the likely actions of the comparison institutions as well as the anticipated salary action of other leading academic institutions. In addition, the unique features of the California economy and its effect on the real income of faculty members are not sufficiently recognized. As a result, this year, as in the previous several years, projected inflation and other economic circumstances must be an important consideration in establishing compensation levels. 10/

The argument that the five-year rate of growth in comparison institution salaries can no longer predict the actual salary increases those institutions will grant in the budget year is discussed thoroughly in Chapter III. In that chapter, it is noted that the percentage increase granted to faculty in the comparison group has been slowly increasing over the past four years and that it has increased again in the current year. For that reason, the University's argument has some validity, at least in principle.

California State University and Colleges

At its November 12 meeting, the Board of Trustees of the California State University and Colleges approved its request for a faculty salary range adjustment. The resolution making that request is as follows:

> RESOLVED, By the Board of Trustees of the California State University and Colleges, that the Governor and the Legislature be urged to provide by 1981-82 funds sufficient to permit an across-the-board increase of a

minimum of 11% in salaries for personnel in the academic salary group, and be it further

RESOLVED, That, since the faculty of the California State University and Colleges have fallen behind for the past 12 years and that their present salary reflects a decline of 26.7% in real income during this period, the Trustees hereby request the Legislature to address and remedy this decline, under a formula previously adopted which would gradually remedy this loss by an additional 6.7%, and be it further

RESOLVED, That the Governor and the Legislature be urged to provide funds sufficient to permit fringe benefit improvements equivalent to those granted other state employees in 1981-82 including, if possible, a dental plan.

The 11.0 percent request is based on the Trustees' estimate of the rate of inflation in the 1981-82 fiscal year. The additional request of 6.7 percent is based on the supposition that State University faculty have lost 26.8 percent of their "real income" between 1968-69 and 1980-81 and the recommendation that this loss be recouped over a four-year period. The 6.7 percent represents one-fourth of the 26.8 percent figure (26.8 ÷ 4 = 6.7). Thus, the Trustees' request is for 17.7 percent.

It should be remembered that the 1968-69 year was a high point for State University faculty and that a choice of different years produces very different figures. For example, if the 1960-61 year is chosen as a base, State University faculty have lost only 3.2 percent through the current year, 1980-81. If the year before that, 1959-60, is chosen as a base, State University faculty have actually gained 2.8 percent. If 1971-72 is chosen, exactly ten years from the coming budget year, the loss is only 15.3 percent. Further, if the Personal Consumption Expenditures Index (PCE) is employed as a measure of the cost-of-living, State University faculty show a gain of 6.4 percent since 1960-61, a gain of 11.6 percent since 1959-60, and a loss of only 15.3 percent since 1968-69. Table 3 shows the gains and losses for State University faculty from several base years to the 1980-81 fiscal year.

TABLE 3

PERCENTAGE GAINS OR LOSSES IN REAL INCOME FOR FACULTY OF THE CALIFORNIA STATE UNIVERSITY AND COLLEGES FROM VARIOUS BASE YEARS TO 1980-81

Base Year Through 1980-81	Percentage Increases in CPI	PCE	Percentage Increase for State University Faculty	Percentage Gain/Loss Real Income CPI	PCE
1959-60	193.9%	167.3%	202.3%	+ 2.8%	+11.6%
1962-63	183.7	156.0	165.2	- 7.0	+ 3.5
1965-66	169.6	143.0	129.7	-17.4	- 5.8
1968-69	141.7	119.8	90.7	-26.7	-15.3
1971-72	109.5	92.9	81.7	-15.3	- 6.2
1974-75	66.3	55.2	48.0	-12.4	- 4.9
1977-78	37.6	31.2	26.1	- 9.1	- 4.0

By way of explanation, Table 3 shows that the Consumer Price Index has increased by 193.9 percent since 1959-60 through 1980-81, assuming a current year rate of inflation of 11.0 percent. Using an assumed current year rate of 10.0 percent for the PCE, that index has increased 167.3 percent since 1959-60. With the 9.75 percent increased granted to State University faculty in 1980-81, that segment has had a 202.3 percent increase since 1959-60. When the indices are compared to the faculty range adjustments, the results are gains of 2.8 and 11.6 percent relative to the CPI and the PCE, respectively, since 1959-60.

What clearly emerges is that the choices of both the 1968-69 fiscal year and of the CPI as an index of inflation are uniquely favorable to the advocates of substantial faculty salary increases, since 1968-69 was the year of greatest gain relative to the cost-of-living and because losses are more pronounced when the CPI is used. From the high point, losses in comparison to inflation diminish steadily, regardless of whether a base period before or after 1968-69 is chosen. This is not to say that losses in real income have not been experienced because they most certainly have. It is to say that they may not be as great as the Trustees indicate.

In reviewing the requests from both the Regents and the Trustees, it seems clear that the comparison methodology has now been rejected completely by both of the senior segments. This year marks the first time that has happened since the University has, until now, relied primarily on comparison data to develop its requests. Last year, as noted above, the Regents attempted to modify the comparison

17

methodology by employing only four of their eight comparison institutions but it was clear then, and is clearer now, that a strict reliance on a predictive mechanism for comparable colleges and universities is no longer acceptable to either segment. In addition, there has been a growing trend in the two central offices to consider faculty as another group of State employees for salary purposes, a trend which began with the recommendation by both governing boards that faculty be treated the same as other State employees where fringe benefits are concerned, and which is continuing into the area of general salary increases. It should also be mentioned that until recently, the Governor and the Legislature have also considered faculty to be a separate group.

Over the past twenty years, or any intervening group of years, it seems quite clear that the independence of the faculty, vis-a-vis State employees generally, has not been beneficial to faculty. This fact is demonstrated in Table 4.

TABLE 4

PERCENTAGE INCREASES IN FACULTY SALARIES RELATIVE TO STATE EMPLOYEES' SALARIES FROM VARIOUS BASE YEARS TO 1980-81

Base Year Through 1980-81	Percentage Increases in State Employee Salaries	Percentage Increases in		Percentage Gain Relative to	
		UC Salaries	CSUC Salaries	UC Salaries	CSUC Salaries
1959-60	240.4%	171.6%	202.3%	+ 25.3%	+ 12.6%
1962-63	183.7	138.2	165.2	+ 19.1	+ 7.0
1965-66	154.0	112.2	129.7	+ 19.7	+ 10.6
1968-69	118.9	87.7	90.7	+ 16.6	+ 14.8
1971-72	97.0	78.8	81.7	+ 10.2	+ 8.4
1974-75	53.7	47.5	48.0	+ 4.2	+ 3.8
1977-78	25.6	25.6	25.6	0.0	0.0

What this table shows is that State employees have gained between 0.6 and 1.2 percentage points per year relative to University and State University faculty since 1959-60. The specific average annual gains from the same base years shown in Table 4 are shown in Table 5.

TABLE 5

AVERAGE ANNUAL PERCENTAGE DIFFERENCES IN SALARY INCREASES BETWEEN CALIFORNIA STATE CIVIL SERVICE EMPLOYEES AND FACULTY OF THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES FROM VARIOUS BASE YEARS TO 1980-81

	Average Annual Gain By California State Employees Relative to:	
Base Year Through 1980-81	University of California Faculty	California State University and Colleges Faculty
1959-60	+ 1.2%	+ 0.6%
1962-63	+ 1.1	+ 0.4
1965-66	+ 1.3	+ 0.7
1968-69	+ 1.4	+ 1.2
1971-72	+ 1.1	+ 0.9
1974-75	+ 0.7	+ 0.6
1977-78	0.0	0.0

Thus, while State employees have gained ground relative to faculty over the past twenty years, the average annual gains have been steadily reduced since 1968-69 and eliminated altogether over the past three years when the range adjustments have been the same for both groups.

As a final note on the faculty salary requests by the two four-year segments, it should be remembered that neither governing board has formally asked for the same increases granted to the State employees for 1981-82. This request is formal with respect to fringe benefits (see Chapter VII). What has happened over the past three years is that the Governor and the Legislature have granted the same increase to faculty, non-faculty employees in higher education, and civil service employees. Whether that practice will continue to be expressed in State budget decisions is unknown but it is clear that the procedures which resulted in individual consideration of salary increases have been abandoned, at least temporarily.

CHAPTER III

PROJECTED SALARIES AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES REQUIRED FOR PARITY WITH THE COMPARISON INSTITUTION GROUP PROJECTIONS, 1980-81 AND 1981-82

The projected 1980-81 and 1981-82 salaries for faculty at the University of California and the California State University and Colleges are shown in Table 6. (See Appendices E and F for the computation of these figures, as well as those for the cost of fringe benefits.)

TABLE 6

ALL RANKS AVERAGE SALARY REQUIRED AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES TO EQUAL THE COMPARISON INSTITUTION PROJECTIONS FOR 1980-81 AND 1981-82

Institution	UC And CSUC Salaries in 1980-81	Comparison Institutions' Salary Projections 1980-81	1981-82	Comparison Inst. Projections Lead UC And CSUC BY: 1980-81	1981-82
University of California	$32,664	$32,402	$34,543	-0.80%	+5.75%
California State University and Colleges	$29,012	$27,382	$29,013	-5.12*	+0.50*

---

* State University of New York, Albany and the Buffalo College of Arts and Sciences and Miami University (Ohio) did not report data. Based on past experience, this has the effect of depressing the total comparison group average by approximately 1.0 percent. This amount has been added to the CSUC figures for both 1980-81 and 1981-82 in Table 6.

Table 6 shows that, the California segments currently enjoy a salary advantage of between 0.8 and 5.1 percent. As a result, the University and the State University will require increases of 5.75 and 0.5 percent, respectively in 1981-82 to equal the comparison institution projections.

The projections contained in Table 6 are based on the salary increase experience of the comparison institutions over a five-year period. As noted earlier, there has been criticism of this technique on the grounds that rapid changes in the cost-of-living and the salary increases granted to comparison institutions tend to depress the projections and show the California institutions in a more favorable position than they actually are. In other words, while the five-year average for a comparison group may be only six percent, increases in the current year may be significantly higher, a circumstance which, if true, would show the projected all-ranks average salary for the comparison group to be lower than it actually is and the California institutions, for which current data are available, to be further ahead than they really are.

In the two previous final reports on faculty salaries published by the Commission, this issue was examined in some detail and comparisons made between the projected salaries in the comparison institutions and the actual salaries that were reported after the fact. This examination revealed that the projections were extremely accurate with the average error being no more than ±1 percent over the past seven years. For the State University in the 1979-80 fiscal year, the error was +0.6 percent, indicating that the reported parity figure for that segment was actually 0.6 percent higher than it should have been. In 1980-81, however, UC's comparison group came in 4.4 percent higher than predicted with CSUC's group reporting salaries 3.4 percent higher.

Based on these updated figures, it seems clear that the criticism of the projection method has more validity than in previous years. Table 7 shows the average annual changes for each professorial rank at both the University and the State University for the five-year period used to derive the parity figures in this report. It shows average annual increases of between 5.65 and 6.73 percent depending on the rank and comparison group surveyed. It also shows that the changes are relatively consistent from year to year with only a few exceptions. The percentage increases used to project the 1981-82 parity figures are about 6 percent for both the University and the State University.

The annual report of the American Association of University Professors (AAUP), which will be discussed briefly in Chapter IV, reports that the average salary increase between 1978-79 and 1979-80 was 7.1 percent for all institutions; Category I institutions (the category applicable to the University of California) received an average increase of 6.9 percent and Category IIA institutions (the category applicable to the California State University and Colleges) received an average increase of 7.9 percent.

TABLE 7

ANNUAL PERCENTAGE INCREASES, RANK-BY RANK AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES COMPARISON INSTITUTIONS 1975-76 TO 1980-81

Segment and Rank	1975-76 to 1976-77	1976-77 to 1977-78	1977-78 to 1978-79	1978-79 to 1979-80	1979-80 to 1980-81	Average
Professor						
UC	4.50%	5.40%	6.57%	7.45%	9.63%	6.73%
CSUC	5.50	4.46	5.82	5.70	7.51	5.96
Associate Professor						
UC	3.69	5.75	6.28	7.22	8.96	6.34
CSUC	4.56	4.99	6.26	5.98	7.66	6.05
Assistant Professor						
UC	4.60	5.52	6.61	5.30	9.38	6.24
CSUC	4.10	4.93	5.78	5.89	8.00	5.79
Instructor (CSUC Only)	5.25	4.51	5.23	5.32	7.06	5.65
All Ranks*						
UC	4.37	5.48	6.53	7.18	7.41	6.19
CSUC	5.11	4.64	5.91	5.78	7.59	5.80

---

*Weighted by University of California and California State University and Colleges staffing patterns (see Appendices E and F).

Another consideration arises from a recent article in the Chronicle of Higher Education (October 27, 1980) which reports the results of a survey of 2,400 faculty members in institutions of all types for the 1980-81 fiscal year. This survey derived its data directly from faculty members (rather than from the colleges and universities that employ them) and shows an average increase between 1979-80 and 1980-81 of 9.8 percent for institutions granting the doctorate degree and 8.1 percent for institutions granting graduate degrees but not doctorates. Once again, these figures are much higher than would normally be expected for the 1980-81 year.

It should be remembered that the average increases granted to the University of California's comparison institutions have, with one exception, increased steadily for the past five years and, given the recent article from the Chronicle, may be expected to continue that trend. The increases for the State University's comparison group has increased from an average of 4.4 percent in 1976-77 to 6.0 percent in 1980-81.

The significance of these figures is shown in several simulations in Tables 8 and 9. They show parity figures for the University and the State University based on growth rates of between six and ten percent in the comparison group salaries rather than the rates used for Table 6 which produced the parity figures of +5.75 percent for the University and +0.50 percent for the State University.

Over the past several years, the average annual increases in the salaries for faculty at the University of California's comparison group have been slightly higher than the increases for the State University's comparison group, a fact which almost certainly has contributed to the more favorable parity figures for the University in the 1981-82 projections. The reason for this is simply the fact that the University of California's comparison institutions are either more wealthy or more favored by State Legislatures than are the comparable institutions for the State University, at least at the present time.

23

TABLE 8

PROJECTED UNIVERSITY OF CALIFORNIA PARITY REQUIREMENTS USING ALTERNATIVE RATES OF GROWTH AT COMPARISON INSTITUTIONS

Item	Professor	Associate Professor	Assistant Professor	All Ranks
Comparison Institution 1980-81 Salaries	$38,144	$25,635	$20,096	$32,402
University of California 1980-81 Salaries	38,330	25,466	21,214	32,664
Rate of Increase in Comp. Inst. Salaries	6.0%	6.0%	6.0%	--
Comparison Inst. 1981-82 Projection	40,432	27,173	21,302	34,346
Parity Requirement	--	--	--	+ 5.2%
Rate of Increase	7.0%	7.0%	7.0%	--
C.I. 1981-82 Proj.	40,814	27,429	21,503	34,670
Parity Requirement	--	--	--	+ 6.1%
Rate of Increase	8.0%	8.0%	8.0%	--
C.I. 1981-82 Proj.	41,196	27,686	21,704	34,994
Parity Requirement	--	--	--	+ 7.1%
Rate of Increase	9.0%	9.0%	9.0%	--
C.I. 1981-82 Proj.	41,577	27,942	21,905	35,318
Parity Requirement	--	--	--	+ 8.1%
Rate of Increase	10.0%	10.0%	10.0%	--
C.I. 1981-82 Proj.	41,958	28,199	21,905	35,609
Parity Requirement	--	--	--	+ 9.0%

TABLE 9

PROJECTED CALIFORNIA STATE UNIVERSITY AND COLLEGES PARITY REQUIREMENTS USING ALTERNATIVE RATES OF GROWTH AT COMPARISON INSTITUTIONS

Item	Professor	Associate Professor	Assistant Professor	Instr.	All Ranks
Comparison Institution 1980-81 Salaries	$31,614	$24,216	$19,511	$15,099	$27,237
Cal. St. Univ. & Col. 1980-81 Salaries	33,270	25,785	20,965	18,385	29,012
Rate of Increase In Comp. Inst. Salaries	6.0%	6.0%	6.0%	6.0%	--
Comparison Institution 1981-82 Projection	33,511	25,669	20,682	16,005	29,025
Parity Requirement	--	--	--	--	+0.1%
Rate of Increase	7.0%	7.0%	7.0%	7.0%	--
C.I. 1981-82 Proj.	33,827	25,911	20,877	16,156	29,299
Parity Requirement	--	--	--	--	+1.0%
Rate of Increase	8.0%	8.0%	8.0%	8.0%	--
C.I. 1981-82 Proj.	34,143	26,153	21,072	16,307	29,572
Parity Requirement	--	--	--	--	+1.9%
Rate of Increase	9.0%	9.0%	9.0%	9.0%	--
C.I. 1981-82 Proj.	34,459	26,395	21,267	16,458	29,846
Parity Requirement	--	--	--	--	+2.9%
Rate of Increase	10.0%	10.0%	10.0%	10.0%	--
C.I. 1981-82 Proj.	34,775	26,638	21,462	16,609	30,120
Parity Requirement	--	--	--	--	+3.8%

CHAPTER IV

FACULTY SALARIES AND ECONOMIC CONDITIONS

As noted in several previous faculty salary reports, both four-year segments and several of their faculty organizations have relied to an increasing extent on economic trends throughout the country to justify salary increases higher than the amounts indicated to be necessary through a strict reliance on the comparison institution projections. In particular, they have pointed to the annual changes in the Consumer Price Index (CPI) and to comparison studies which have shown that faculty have lost ground not only to inflation but also to other occupational groups. One of the faculty organizations, the United Professors of California, has offered a considerable amount of testimony which is designed to show that professionals in a given field are paid considerably more by the business community than they are by higher education institutions. To this, the American Association of University Professors (AAUP) has added its voice through its annual reports on the economic status of the profession. The opening paragraph of the most recent issue of Academe, the Association's official publication, set the tone:

> Over the past year the economic status of college and university professors suffered its sharpest single-year setback in memory. Despite relatively more generous salary increases, the unexpectedly high inflation rate produced greater declines in real salaries than were reflected in even the most pessimistic forecasts in last year's report. The prospects for the coming year are not much better. 11/

The article goes on to show how salaries have declined both in "real" terms (i.e., in relation to the increases in inflation) and in comparison to other occupational groups.

Inflation refers to a condition of rising prices without a corresponding rise in value. It means that the same food purchased at a prior time costs more today and that the rent or purchase price for living quarters is also increasing, as are the costs of fuel, utilities, clothing, furniture, and virtually everything else. But defining inflation and measuring it are two entirely different problems and there is great dispute over the latter.

In the United States and in some other parts of the world, the standard for measuring inflation has been the Consumer Price Index (CPI) which is a measure of the increases in prices of a host of goods and services normally purchased by consumers. The CPI includes measurements within seven broad categories and 45 subcategories of expenditure. Within the subcategories, measurements are made of an additional 208 goods and services, all of which are weighted to reflect their relative importance to the overall average. All of these items are shown in Appendix I.

The principal complaint with the CPI concerns the weight given to housing costs compared to other components of the index. Housing accounts for about 45 percent of the total with 21.3 percent related directly to "Home purchase," and "Financing, taxes, and insurance." By contrast, only 6.0 percent is allocated to changes in rental rates. 12/ Since the costs of home purchase are heavily modified by the tax advantages and capital appreciation that accrue to the buyer, several respected analysts have argued that the CPI is skewed toward a higher level than the "real" rate of inflation should indicate.

Other attacks on the CPI involve a number of value judgments. For example, the CPI gives a weight of 5.619 percent to the purchase of gasoline which does not reflect recent reductions in gasoline consumption caused by higher prices. Similarly, over the past few years, new car purchases have declined and automobile maintenance and repair costs increased. These and other significant changes may not be reflected in the index since the weights were determined by spending patterns that existed in 1972-73. 13/ Others criticize the index on the grounds that it fails to include items such as the cost of privately controlled hospitals and sanitariums, international exchange rates for Americans traveling abroad, and increases in certain fringe benefits such as employer furnished meals and clothing, the last of which could have a depressing effect on the index. Finally, the CPI does not take into account the effect of escalating tax brackets for both state and federal and income taxes, a point about which more will be said later.

Those who have criticized the CPI often suggest other indices to measure increases in the cost-of-living. Popular alternatives include various price deflators including those for personal consumption expenditures (PCE), the gross national product, and the gross domestic product. In addition, the Bureau of Labor Statistics (authors of the CPI) has alternative indices for producer prices, consumer expenditures, and family budgets, as well as several permutations and combinations of parts of the CPI such as "All items less food," "All items less home purchase and mortgage interest costs," "All items less medical care," "Commodities less food," "Nondurables," "Energy," and "All items less energy," among others. Looking at the debate and the host of indicators available, one is frequently left with the impression of an impenetrable maze.

Of all of the indicators of inflation that are proposed as an alternative to the CPI, the PCE appears to be receiving the most attention. Published by the U.S. Department of Commerce as a monthly index similar to the CPI, it measures price increases according to a slightly different formula. Principal among these differences is the indexing of housing costs. The Bureau of Labor Statistics counts increases in the cost of private homes and the financing costs associated therewith as increases in the cost-of-living. The Department of Commerce view is that home purchases are private investments and that the cost of housing should be determined by rental rates or rental equivalencies (i.e., the amount of money a privately owned home would cost if it were rented). Commerce defines housing as the "rent paid for tenant-occupied dwellings, the imputed rental value of owner-occupied dwellings, and purchases of lodging at hotels, motels, lodging houses, and school dormitories." 14/

A comparison between the CPI and the PCE is shown in Chart 1 for the twelve year period between 1968-69 and 1980-81. The data for that chart are shown in Table 10.

CHART 1

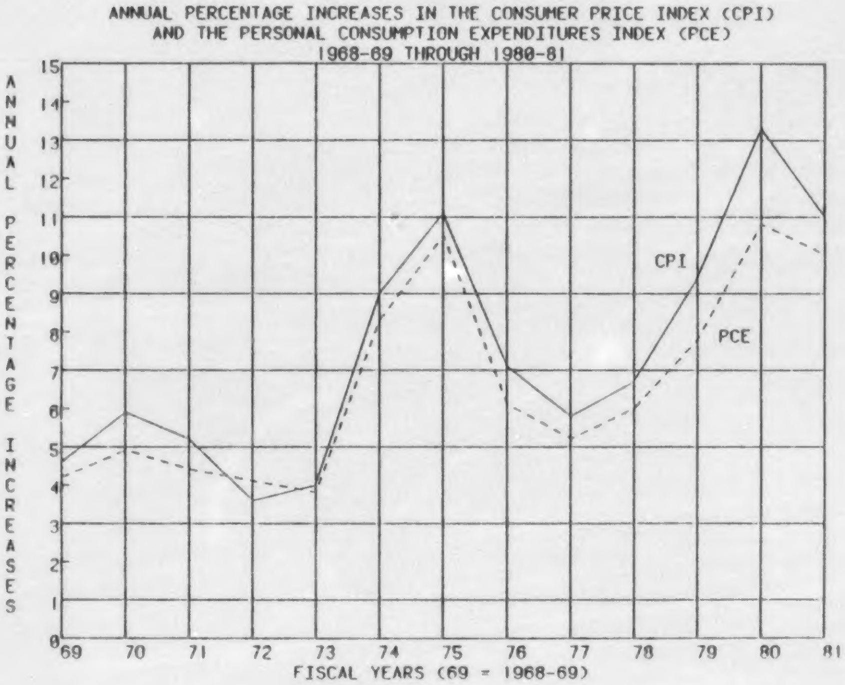


TABLE 10

COMPARISON BETWEEN THE ANNUAL PERCENTAGE INCREASES IN THE CONSUMER PRICE INDEX AND THE PERSONAL CONSUMPTION EXPENDITURES INDEX 1968-69 TO 1980-81

Year	Consumer Price Index	Personal Consumption Expenditures Index
1968-69	4.6%	4.2%
1969-70	5.9	4.9
1970-71	5.2	4.4
1971-72	3.6	4.1
1972-73	4.0	3.8
1973-74	9.0	8.3
1974-75	11.1	10.5
1975-76	7.1	6.1
1976-77	5.8	5.2
1977-78	6.7	6.0
1978-79	9.4	7.8
1979-80	13.3	10.8
1980-81	11.0	10.0

It is noteworthy that the PCE exceeded the CPI in only one of the twelve years noted (1971-72) and was less than the CPI in the remaining eleven. Undoubtedly, the effect of rapidly escalating housing prices and financing costs over the past decade has had a dramatic effect on the CPI. Overall, the average increase in the CPI since 1968 has been 7.6 percent while that for the PCE has been 6.5 percent.

In recent years, the Bureau of Labor Statistics has been experimenting with several alternative indices for homeownership components. The most interesting of these for the purposes of this analysis is the "Rental Equivalence" measure which, according to BLS, estimates "the rental value of all owner occupied homes in the base period compiled from a specific question asked on the 1972-73 Consumer Expenditure Survey. This covers the entire stock of owned homes." 15/ With this adjustment, the CPI begins to look much more like the PCE index as shown in Table 11 and Chart 2, especially during the past two years.

TABLE 11

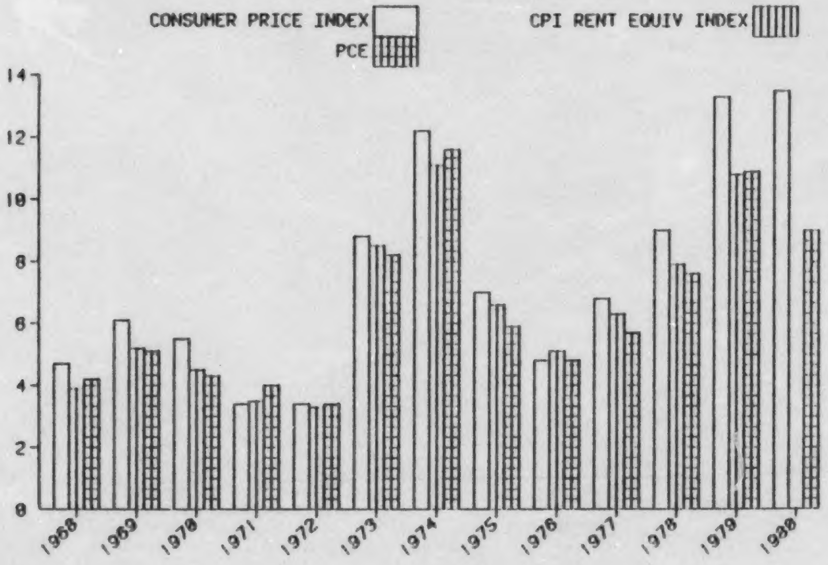
COMPARISON BETWEEN THE CONSUMER PRICE INDEX (CPI), THE RENT EQUIVALENT INDEX FOR THE CPI, AND THE PERSONAL CONSUMPTION EXPENDITURES INDEX (PCE)
DECEMBER 1968 THROUGH DECEMBER 1980

Year	CPI	CPI Rent Equivalent Index	PCE
1968	4.7%	3.9%	4.2%
1969	6.1	5.2	5.1
1970	5.5	4.5	4.3
1971	3.4	3.5	4.0
1972	3.4	3.3	3.4
1973	8.8	8.5	8.2
1974	12.2	11.1	11.6
1975	7.0	6.6	5.9
1976	4.8	5.1	4.8
1977	6.8	6.3	5.7
1978	9.0	7.9	7.6
1979	13.3	10.8	10.9
1980	13.5	N/A	9.0
Average	7.6%	6.4%	6.5%

There are, of course, other difficulties with the CPI. First, the BLS has never claimed that the CPI is truly a measure of the cost of living. Their definition includes the following:

CHART 2

COMPARISON OF THE CONSUMER PRICE INDEX (CPI), THE RENT EQUIVALENT
INDEX FOR THE CPI, AND THE PERSONAL CONSUMPTION EXPENDITURES INDEX (PCE)
DECEMBER TO DECEMBER 1968 THROUGH 1980



> The Consumer Price Index (CPI) measures the average change in prices of all types of consumer goods and services purchased by urban wage earners and clerical workers. The index does not measure changes in the total amount families spend for living; geographic area indexes do not measure relative differences in prices or living costs between areas. 16/ (Emphasis added)

Secondly, some claim that the CPI not only fails to measure inflation accurately, it also contributes to it. As Kristine Dillon and Robert Linnell note:

> A very good case can be made that the technical basis of the CPI is an important contributor to inflation. About one-quarter of the population has some income indexed to the CPI (Social Security recipients, federal and military retirees, many wage earners' union contracts and some informal agreements). If the CPI overstates inflation, as we will argue, then this vast group receiving CPI-indexed

> wage increases will be given larger increases than required to meet inflation which, in turn, will cause additional inflation. 17/

A final criticism of the CPI (and of the PCE as well) concerns the effect of income taxes and Social Security payments on disposable income. Neither of these indices (nor any of the other indices available) takes into account the effect of tax bracket escalation caused by inflation or the effect of rising mandatory contributions to the Social Security system, contributions which will undergo another increase as of January 1981. This problem is discussed in Appendix J.

One positive feature of the CPI that is unique is its local, state, and regional flexibility; it is the only major index that provides any picture of the changes in the cost-of-living within California and its major metropolitan areas. The percentage increases for each of these are shown in Table 12. Comparisons between the United States CPI and the California CPI are shown in Chart 3 with further breakdowns for the three SMSAs that comprise the California index shown in Chart 4. 18/

In general, while the national, state, and local percentage increases are very similar for the past ten years, there are a few notable exceptions. First, the ten-year average for the San Diego area is a full percentage point higher than the national average and nine-tenths of a point higher than the California average. In San Diego, the CPI has run ahead of the national average for each of the past six years and substantially ahead (four or more points) in the last two. In turn, this has caused the CPI for California to be 1.3 percentage points higher than the national average for the 1979-80 fiscal year. This difference seems to be due almost entirely to housing prices. For example, the cost of homeownership for the entire nation since 1967 has increased 215.4 percent, a figure exceeded only slightly by Los Angeles/Orange County over the same period at 225.3 percent. In San Diego, however, the increase has been 325.9 percent, the highest in the nation. To put this in perspective, a home costing $20,000 in 1967 would cost an average of $63,080 nationally (in 1980), $65,060 in the Los Angeles/Orange County area, and $85,180 in San Diego. Because of the large weight given to the costs of homeownership in the CPI, it is not surprising that San Diego's average has run significantly ahead of both the national and state indexes.

Anyone who has followed the course of the United States economy over the past several years is aware that the task of projecting into the future is fraught with difficulties. Among the many who offer predictions of the future of inflation, three are mentioned here: (1) the Bank of America's Economic Outlook 1981--California Report;

TABLE 12

ANNUAL CHANGES IN THE CONSUMER PRICE INDEX FOR THE UNITED STATES, CALIFORNIA, LOS ANGELES-LONG BEACH-ANAHEIM, SAN FRANCISCO-OAKLAND, AND SAN DIEGO

1970-71 THROUGH 1979-80

Year	U.S. CPI	California CPI	Los Angeles-Long Beach-Anaheim CPI	San Francisco-Oakland CPI	San Diego CPI
1970-71	5.2%	4.6%	4.4%	4.6%	5.0%
1971-72	3.6	3.3	3.3	3.2	3.4
1972-73	4.0	3.9	4.0	4.2	4.7
1973-74	9.0	7.5	8.0	7.3	8.5
1974-75	11.1	11.6	11.5	11.2	11.5
1975-76	7.1	8.1	8.2	7.9	7.4
1976-77	5.8	6.3	6.9	5.7	5.9
1977-78	6.7	7.2	6.4	8.5	7.2
1978-79	9.4	8.9	8.7	9.3	14.1
1979-80	13.3	14.6	15.1	12.8	17.4
Average	7.5%	7.6%	7.7%	7.5%	8.5%

CHART 3

ANNUAL CHANGES IN THE CONSUMER PRICE INDEX (CPI)
FOR THE UNITED STATES AND CALIFORNIA (ALL URBAN CONSUMERS)
1970-71 THROUGH 1979-80

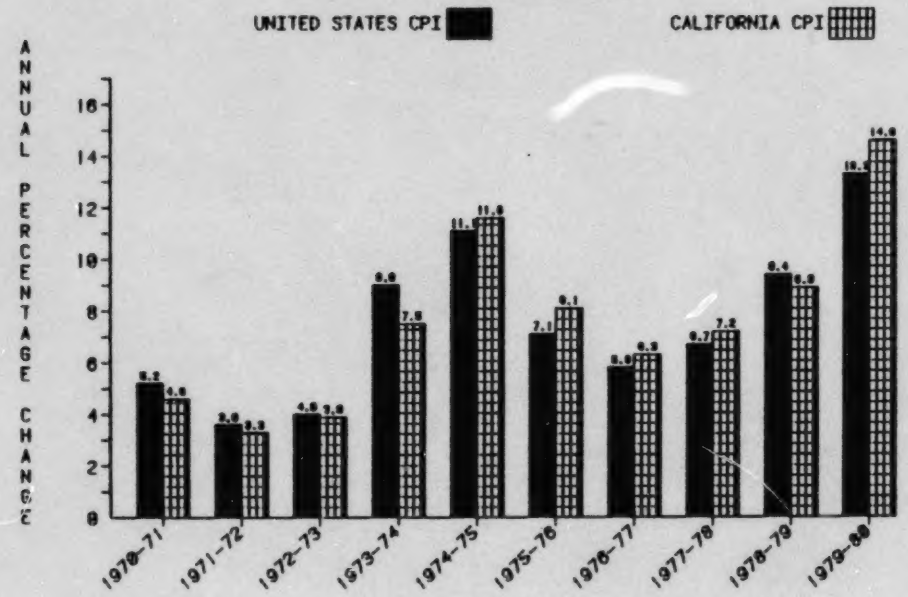
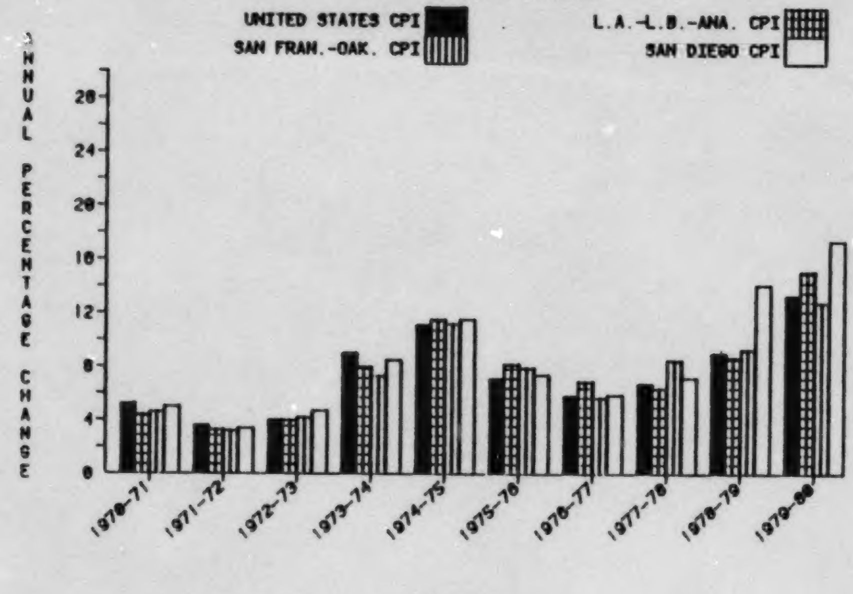


CHART 4

ANNUAL CHANGES IN THE CONSUMER PRICE INDEX (CPI) FOR THE
UNITED STATES, L.A.-LONG BEACH-ANAHEIM, S.F.-OAKLAND, AND SAN DIEGO
1970-71 THROUGH 1979-80



(2) The UCLA Business Forecast for California, 1980 to 1984; and (3) the current predictions of the Research Institute of America.

The Bank of America's comments on 1981 as they relate to inflation are as follows:

> Despite slow growth and relatively high unemployment, inflation predominates as the most serious problem in the state. The rise in the California Consumer Price Index will moderate from the 15 percent expected in 1980, but it will still remain in double digits in 1981, approximating 10 percent. As is true throughout the country, the ascending costs of housing, energy, medical care, and food are primarily responsible for continued inflation.

UCLA economists offer three possible alternatives as of their December 1980 report with relative probabilities offered for each. Those for the CPI and the PCE are shown in Table 13 and Chart 5. Since the predictions are for calendar rather than fiscal years, some interpolation of the data is required but if the most likely scenario, "The UCLA Base Forecast," is used, the CPI would be 12.3 percent with the PCE being 9.7 percent in 1980-81. For 1981-82, the predictions are for price increases of 10.5 and 9.8 percent, respectively. Given this, the UCLA forecast is reasonably close to the Bank of America prediction of approximately 10.0 percent.

The final projection comes from the Research Institute of America (RIA), a Washington, D.C. based firm which publishes a weekly newsletter of general economic news. Their prediction is for an increase in the CPI of 11 to 12 percent over the next twelve months, beginning October 1, 1980. This, of course, includes only three months of the 1981-82 State fiscal year and the RIA has not offered any estimates of the CPI rate for all of 1981-82. Their predictions for CPI increases are, however, in the same general range as the others.

Given all of these predictions, Commission staff is assuming (for the purpose of this analysis) rates of 11.0 percent for the CPI and 10.0 percent for the PCE in 1980-81. These rates are used in several tables in this report.

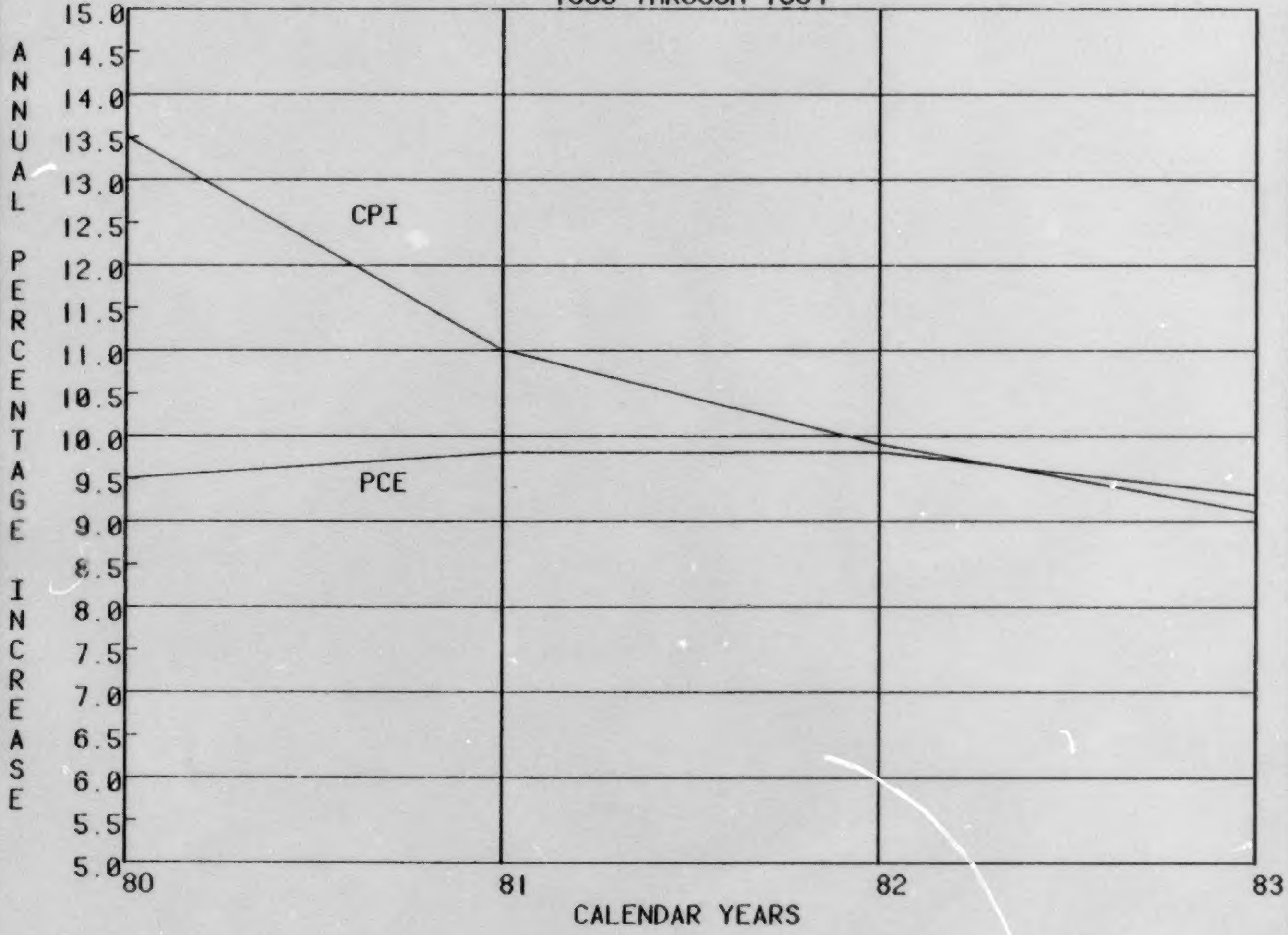
TABLE 13

PREDICTIONS FOR ANNUAL PERCENTAGE INCREASES IN THE CONSUMER PRICE INDEX AND THE PERSONAL CONSUMPTION EXPENDITURES INDEX MADE BY THE UCLA GRADUATE SCHOOL OF MANAGEMENT 1980 THROUGH 1983

Item	Years			
	1980	1981	1982	1983
Prediction No. 1 "The Stagflation Alternative Forecast" (Probability -- 20 Percent)				
Consumer Price Index	13.5	12.0	11.3	12.6
Personal Consumption Expenditures Index	9.5	10.3	10.8	11.2
Prediction No. 2 "The UCLA Base Forecast" (Probability -- 60 Percent)				
Consumer Price Index	13.5	11.0	9.9	9.1
Personal Consumption Expenditures Index	9.5	9.8	9.8	9.3
Prediction No. 3 "Less Inflation Alternative Forecast" (Probability -- 20 Percent)				
Consumer Price Index	13.5	10.1	7.0	6.2
Personal Consumption Expenditures Index	9.5	9.4	7.9	7.4

CHART 5

PREDICTED ANNUAL INCREASES IN THE CONSUMER PRICE INDEX AND THE PERSONAL CONSUMPTION EXPENDITURES INDEX (UCLA GRAD SCHOOL OF MGMT) 1980 THROUGH 1984



CHAPTER V

COMPARISONS WITH OTHER OCCUPATIONAL GROUPS

In this chapter, several comparisons between California faculty and other occupational groups are presented with each compared, in turn, to both the Consumer Price Index and the Personal Consumption Expenditures Index. The first two of these, Tables 14 and 15, compare increases in the inflation indices and across-the-board increases for federal employees, California State employees, and University and State University faculty since 1960-61. In addition, Charts 6, 7, and 8 contain graphic displays of the same data. Chart 6 shows the full period between 1960-61 and 1980-81 with Chart 7 showing the first ten years of the period and Chart 8 the years since 1970-71.

These tables and charts show that the decade of the 1960s was a favorable one for public employees in general and for California State employees in particular since their across-the-board increases were almost twice as high as the annual change in the inflation rate. Faculty fared well also as the average for the University and the State University was also considerably higher than the increases in the cost-of-living indices, although not as high as for the federal civil service. In the 1970s, however, only State employees kept pace with the PCE while no group (including State employees) was able to match the average increase in the CPI. Thus, the statement that faculty have lost ground in real dollar terms over the past ten years is certainly accurate even though a consideration of the prior ten years shows that University of California faculty are currently about 8.2 percent behind the CPI since 1960 while State University faculty are slightly ahead (by 2.9 percent relative to the CPI).

Tables 16 and 17 show actual dollar and indexed values for California associate professors and seven other professional groups surveyed by the Bureau of Labor Statistics. The salaries for the comparison occupations range from 26.6 percent below to 20.0 percent above the average salaries for University associate professors in 1961-62 and 20.9 percent below to 29.3 percent above the average salaries for State University associate professors in the same year. Unfortunately, the data compiled by the Bureau are current only through 1979. 19/

It should also be noted that the rank of associate professor has been used instead of an all-ranks average since the latter is distorted by the increase in the number of faculty at the professor rank. When the comparisons are made between California faculty and faculty at comparison institutions, this distortion can be eliminated by using a common staffing pattern for all but this cannot be done for the

TABLE 14

COMPARISON BETWEEN THE CONSUMER PRICE INDEX, THE PERSONAL CONSUMPTION EXPENDITURES INDEX, AND INCREASES FOR FEDERAL AND STATE EMPLOYEES AND UNIVERSITY OF CALIFORNIA AND CALIFORNIA STATE UNIVERSITY AND COLLEGES FACULTY 1960-61 THROUGH 1980-81

Year	CPI	PCE	Federal Civil Service	State Civil Service	University of California	Calif. State University and Colleges
1960-61	1.3%	1.5%	7.6%	6.2%	7.5%	7.5%
1961-62	1.1	1.2	0.0	6.0	6.0	0.0
1962-63	1.2	1.6	0.0	6.6	0.0	6.0
1963-64	1.3	1.6	5.6	6.1	5.0	5.0
1964-65	1.5	1.4	8.7	0.8	0.0	0.0
1965-66	2.3	2.3	0.0	4.4	7.0	10.0
1966-67	2.9	2.8	6.6	4.5	2.5	6.7
1967-68	3.6	3.2	4.6	5.1	5.0	5.0
1968-69	4.6	4.2	4.9	5.7	5.0	7.5
1969-70	5.9	4.9	9.1	5.6	5.0	5.0
1970-71	5.2	4.4	6.0	5.2	0.0	0.0
1971-72	3.6	4.1	6.0	0.0	0.0	0.0
1972-73	4.0	3.8	5.4	9.0	9.0	8.4
1973-74	9.0	8.3	5.2	11.7	5.4	7.5
1974-75	11.1	10.5	4.7	5.3	5.5	5.3
1975-76	7.1	6.1	5.4	6.7	7.2	7.2
1976-77	5.8	5.2	5.0	6.6	4.3	4.3
1977-78	6.7	6.0	7.0	7.5	5.0	5.0
1978-79	9.4	7.8	5.5	0.0	0.0	0.0
1979-80	13.3	10.8	7.0	14.5	14.5	14.5
1980-81	(11.0)	(10.0)	(8.0)	9.8	9.8	9.8

TABLE 15

COMPARISON BETWEEN THE CONSUMER PRICE INDEX, THE PERSONAL CONSUMPTION EXPENDITURES INDEX, AND INCREASES FOR FEDERAL AND STATE EMPLOYEES AND UNIVERSITY OF CALIFORNIA AND CALIFORNIA STATE UNIVERSITY AND COLLEGES FACULTY (INDEXED) 1960-61 THROUGH 1980-81 20/

Year	CPI	PCE	Federal Civil Service	State Civil Service	University of California	Calif. State University and Colleges
1959-60	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1960-61	101.3	101.5	107.6	106.2	107.5	107.5
1961-62	102.4	102.7	107.6	112.6	114.0	107.5
1962-63	103.6	104.4	107.6	120.0	114.0	114.0
1963-64	105.0	106.0	113.6	127.3	119.6	119.6
1964-65	106.6	107.5	123.5	128.3	119.6	119.6
1965-66	109.0	110.0	123.5	134.0	128.0	131.6
1966-67	112.2	113.1	131.7	140.0	131.2	140.4
1967-68	116.2	116.7	137.7	147.2	137.8	147.5
1968-69	121.6	121.6	144.5	155.5	144.7	158.5
1969-70	128.7	127.5	157.6	164.3	151.9	166.4
1970-71	135.4	133.2	167.1	172.8	151.9	166.4
1971-72	140.3	138.6	177.1	172.8	151.9	166.4
1972-73	145.9	143.9	186.7	188.3	165.6	180.4
1973-74	159.0	155.8	196.4	210.4	174.5	193.9
1974-75	176.7	172.2	205.6	221.5	184.1	204.2
1975-76	189.2	182.7	216.7	236.4	197.4	218.9
1976-77	200.2	192.2	227.5	252.0	205.9	228.3
1977-78	213.6	203.7	243.5	270.9	216.2	239.8
1978-79	233.7	219.6	256.8	270.9	216.2	239.8
1979-80	264.8	243.3	274.8	310.2	247.5	275.5
1980-81	(293.9)	(267.3)	(296.8)	340.4	271.6	302.3
Ave. Annual Increases:						
1959-60 to 1980-81	5.3%	4.8%	5.3%	6.0%	4.9%	5.4%
1959-60 to 1970-71	2.8%	2.6%	4.8%	5.1%	3.9%	4.7%
1970-71 to 1980-81	8.1%	7.2%	5.9%	7.0%	6.0%	6.2%

CHART 6

COMPARISON OF THE CPI, THE PCE, FEDERAL EMPLOYEE SALARY INCREASES, STATE EMPLOYEE SALARY INCREASES, AND UC & CSUC FACULTY SALARY INCREASES
1960-61 THROUGH 1980-81

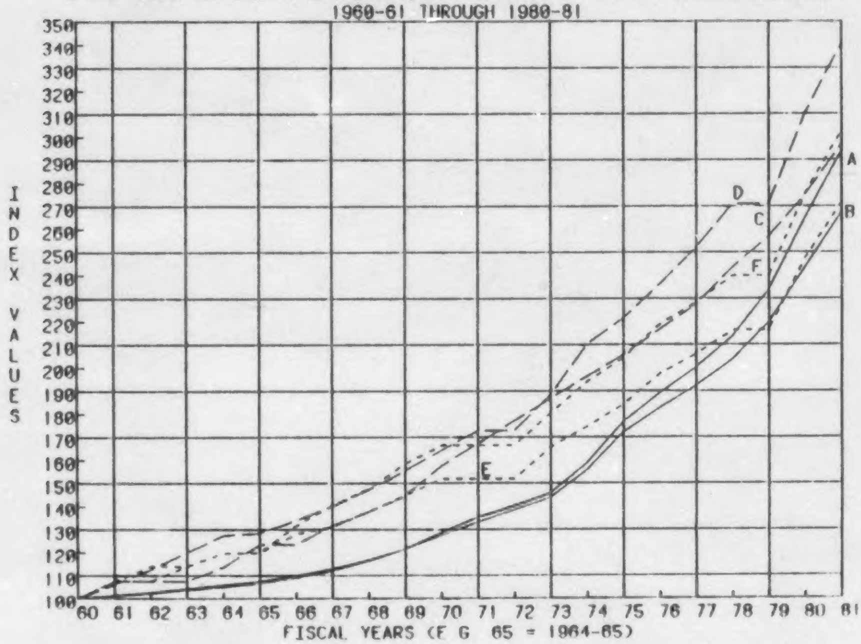
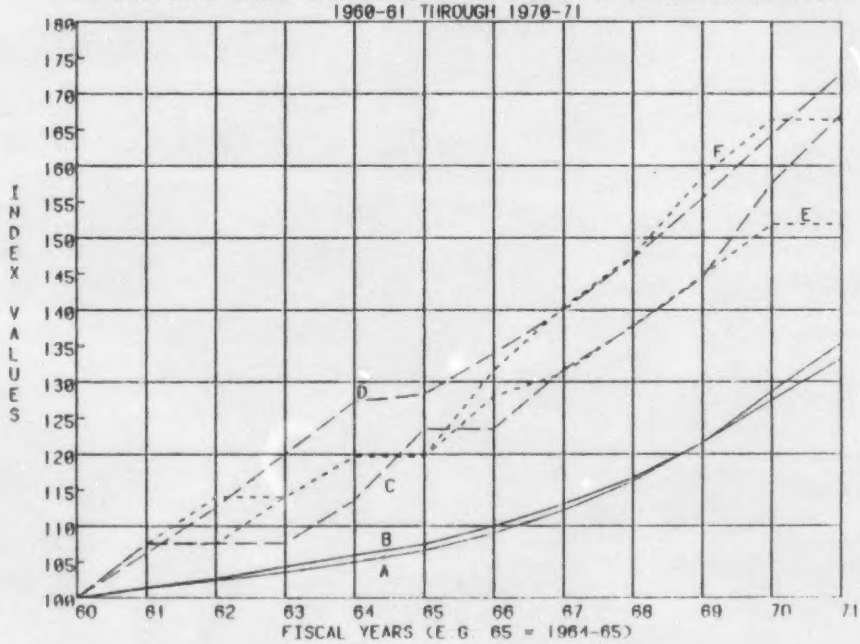


CHART 7

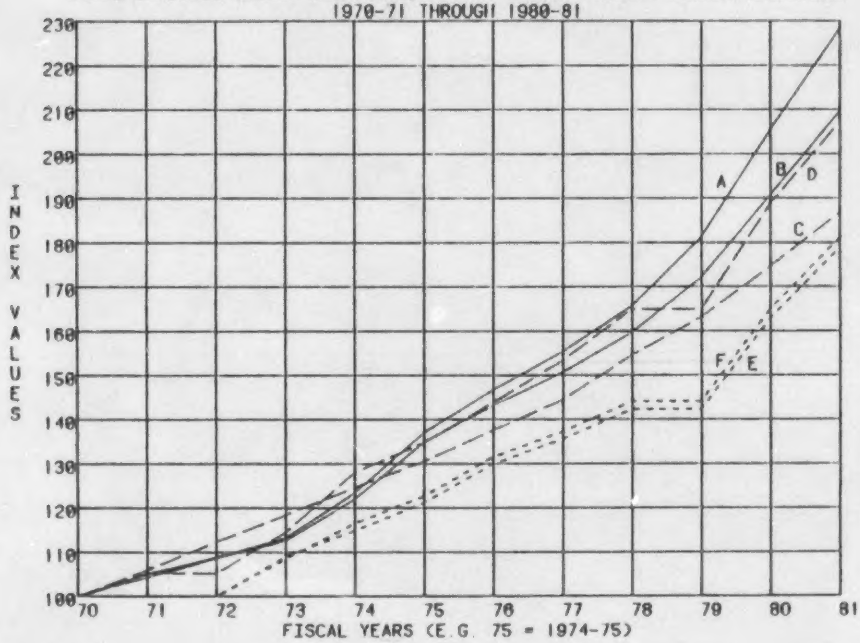
COMPARISON OF THE CPI, THE PCE, FEDERAL EMPLOYEE SALARY INCREASES, STATE EMPLOYEE SALARY INCREASES, AND UC & CSUC FACULTY SALARY INCREASES
1960-61 THROUGH 1970-71



41

CHART 8

COMPARISON OF THE CPI, THE PCE, FEDERAL EMPLOYEE SALARY INCREASES, STATE EMPLOYEE SALARY INCREASES, AND UC & CSUC FACULTY SALARY INCREASES
1970-71 THROUGH 1980-81



Legend: A -- Consumer Price Index

B -- Personal Consumption Expenditures Index

C -- Federal Civil Service Employees Salary Increases

D -- State Civil Service Employees Salary Increases

E -- University of California Faculty Salary Increases

F -- California State University and Colleges Faculty Salary Increases

Sources : CPI -- Handbook, page 397; PCE -- Survey, page 38; Federal Civil Service -- Handbook, page 371 and the Office of Personnel Management; State Civil Service -- California State Department of Finance; University of California faculty salaries -- Coordinating Council for Higher Education and California Postsecondary Education Commission annual salary reports; California State University and Colleges faculty salaries -- CCHE and CPEC annual salary reports.

TABLE 16

COMPARISONS BETWEEN UNIVERSITY OF CALIFORNIA AND CALIFORNIA STATE UNIVERSITY AND COLLEGES ASSOCIATE PROFESSOR SALARIES AND SALARIES OF OTHER PROFESSIONAL GROUPS 1961-62 TO 1980-81

Year	UC Assoc. Prof.	CSUC Assoc. Prof.	Accountants	Auditors	Attorneys	Job Analysts	Dirs. of Personnel	Chemists	Engineers
1961-62	$ 9,668	$ 8,974	$ 7,200	$ 7,098	$11,604	$ 7,338	$11,219	$10,464	$10,752
1962-63	10,441	9,425	7,416	7,266	11,844	7,530	11,664	10,956	11,064
1963-64	10,482	9,444	7,668	7,572	12,300	7,716	12,060	11,334	11,634
1964-65	10,994	10,032	7,908	7,854	12,816	7,998	12,528	11,688	11,970
1965-66	11,804	10,836	8,124	8,094	13,644	8,280	12,936	12,024	12,324
1966-67	12,072	11,460	8,328	8,322	14,052	8,592	13,212	12,594	12,786
1967-68	12,643	12,033	8,879	8,902	14,419	8,888	13,857	13,225	13,474
1968-69	13,365	12,732	9,367	9,342	15,283	9,611	14,610	14,007	14,158
1969-70	14,053	13,437	10,029	10,007	19,163	9,838	15,332	14,720	15,000
1970-71	14,150	13,526	10,686	10,715	20,304	10,377	16,626	15,642	15,850
1971-72	14,107	13,301	11,383	11,435	22,178	11,207	17,872	16,482	16,757
1972-73	16,439	14,567	11,879	11,903	23,448	11,677	18,277	17,126	17,394
1973-74	16,431	15,965	12,472	12,464	24,693	12,036	19,869	17,726	18,322
1974-75	17,365	16,844	13,285	13,183	25,956	12,705	21,447	18,993	19,292
1975-76	18,585	18,166	14,458	13,961	28,159	13,746	22,486	20,952	20,935
1976-77	19,490	19,101	15,428	14,743	29,828	14,825	24,283	22,264	22,416
1977-78	20,133	20,223	16,545	15,806	30,973	15,294	26,472	23,944	23,846
1978-79	20,620	20,361	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1979-80	23,535	23,447	19,464	18,396	37,812	17,718	31,314	28,146	28,230

Sources: *Handbook*, Table 99, pp. 329-330.
Annual Report on Faculty Salaries, 1966-67 through 1980-81, California Postsecondary Education Commission.

TABLE 17

COMPARISONS BETWEEN UNIVERSITY OF CALIFORNIA AND CALIFORNIA STATE UNIVERSITY AND COLLEGES FACULTY SALARIES AND SALARIES OF OTHER PROFESSIONAL GROUPS 1961-62 TO 1979-80 (INDEXED)

Year	UC Assoc. Prof.	CSUC Assoc. Prof.	Accountants	Auditors	Attorneys	Job Analysts	Dirs. of Personnel	Chemists	Engineers
1961-62	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1962-63	108.0	105.0	103.0	102.4	102.1	102.6	104.0	104.7	102.9
1963-64	108.4	105.2	106.5	106.7	106.0	105.2	107.5	108.3	108.2
1964-65	113.7	111.8	109.8	110.7	110.4	109.0	111.7	111.7	111.3
1965-66	122.1	120.8	112.8	114.0	117.6	112.8	115.3	114.9	114.6
1966-67	124.9	127.7	115.7	117.2	121.1	117.1	117.8	120.4	118.9
1967-68	130.8	134.1	123.3	125.4	124.3	121.1	123.5	126.4	125.3
1968-69	138.2	141.9	130.1	131.5	131.7	131.0	130.2	133.9	131.7
1969-70	145.4	149.7	139.3	141.0	165.1	134.1	136.7	140.7	139.5
1970-71	146.4	150.7	148.4	151.0	175.0	141.4	148.2	149.5	147.4
1971-72	145.9	148.2	158.1	161.1	191.1	152.7	159.3	157.5	155.9
1972-73	170.0	162.3	165.0	167.7	202.1	159.1	162.9	163.7	161.8
1973-74	170.0	177.9	173.2	175.6	212.8	164.0	177.1	169.4	170.4
1974-75	179.6	187.7	184.5	185.7	223.7	173.1	191.2	181.5	179.4
1975-76	192.2	202.4	200.8	196.7	242.7	187.3	200.4	200.2	194.7
1976-77	201.6	212.9	214.3	207.7	257.1	202.0	216.5	212.8	208.5
1977-78	208.2	225.4	229.8	222.7	266.9	208.4	236.0	228.8	221.8
1978-79	213.3	226.9	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1979-80	243.4	261.3	270.3	259.2	325.9	241.5	277.5	269.0	262.6
Percentage Increases:									
1961-62 to 1979-80	143.4%	161.3%	170.3%	159.2%	225.9%	141.5%	177.5%	169.0%	162.6%
1961-62 to 1970-71	46.4%	50.7%	48.4%	51.0%	75.0%	41.4%	48.2%	49.5%	47.4%
1970-71 to 1979-80	66.3%	73.4%	82.1%	71.7%	86.2%	80.1%	87.3%	91.2%	78.1%

groups displayed in Tables 16 and 17; thus, a single rank has been chosen to reflect more accurately the actual changes. To some extent, there is distortion here too since the number of faculty at any given step can affect the average for the entire rank. Nevertheless, it is still preferable to the all-ranks average in this case.

What Tables 16 and 17 and Chart 9 show is that every group surveyed except Job Analysts has received greater increases since 1961-62 than University of California associate professors and that five of the seven groups have received greater increases than California State University and Colleges associate professors. Within a percentage point or two, this conclusion applies equally well to full professors and to assistant professors as well, as Table 20 will demonstrate. During the 1960s, the average increase for the seven comparison occupations was 51.6 percent compared to 46.4 percent at the University and 50.7 percent at the State University, a difference of between 0.9 and 5.2 percentage points depending on the segment. In the 1970s, however, at least through 1979-80, the comparison professions fared even better with an average increase of 82.4 percent compared to 66.3 percent at the University and 73.4 percent at the State University, differences of between 9.0 and 16.1 percentage points for the nine-year period involved. Thus, while it is generally recognized that California faculty salaries outpaced the cost-of-living in the 1960s and fell behind it in the 1970s, other professional groups were doing better in both decades.

These findings are consistent with those reported by the AAUP and the latter are shown in Tables 18 and 19. The first shows salaries for federal employees at three grades, data from a publication of the Bureau of Labor Statistics, and average all-ranks salaries from the AAUP's own report. The second table shows losses in real income for the same groups. In Table 18, salaries for the University and the State University for the same year as the AAUP data have been added.

The salaries listed for faculty in Table 18 are based on nine months of employment while those for the other occupations are for eleven. If adjustments are made, all of the faculty averages increase by a factor of 22.2 percent (the difference between nine months and eleven). This raises the AAUP all-ranks average to $24,591, the University of California average to $30,967 and the State University average to $27,379. Yet, even with this adjustment, faculty salaries are only raised to levels between Buyer IV and Director of Personnel III, still far below such occupations as engineers, chemists, and attorneys.

Comparable changes for University and State University faculty are shown in Table 20 which is noteworthy in one respect. In spite of the fact that faculty at every rank at both segments lost a consider-

CHART 9

PERCENTAGE SALARY INCREASES FOR UC AND CSUC ASSOCIATE PROFESSORS
AND OTHER OCCUPATIONAL GROUPS
1961-62 TO 1979-80 -- 1961-62 TO 1970-71 -- 1970-71 TO 1979-80

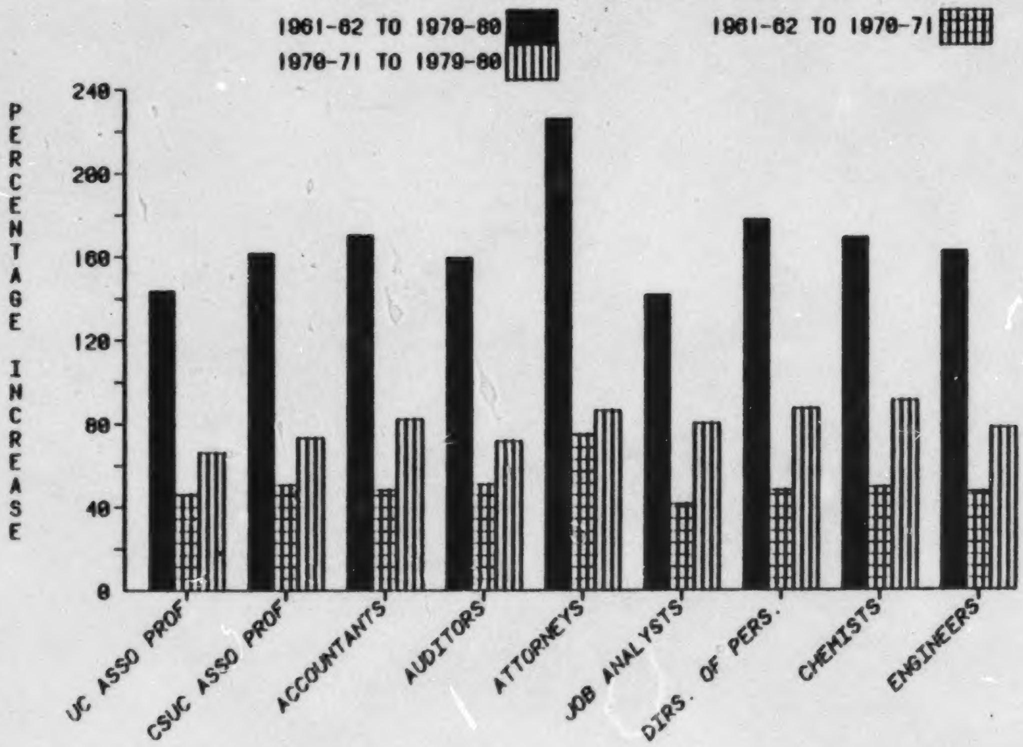


TABLE 18

COMPARISONS OF 1978-79 ACADEMIC SALARIES WITH 1978 SALARIES AND EARNINGS OF OTHER GROUPS OF WORKERS

Annual Earnings	Federal Civil Service		Private Industry	AAUP	University of California	Calif. State University and Colleges
$55,000						
			$51,798 (Atty. VI)			
$50,000	$49,608					
$45,000						
		GS-15	$42,104 (Engr. VIII)			
$40,000			$39,895 (Ch. Acct. IV)			
	$38,160		$38,927 (Chem. VII)			
	$35,688					
$35,000						
			$33,547 (Atty. IV)			
		GS-13	$32,264 (Engr. VI)			
			$32,201 (Pers. III)			
					$30,065 (Prof.)	
$30,000						
	$27,453		$28,494 (Chem. V)			
				$26,470 (Prof.)	$25,337 (All Ranks)	$26,319 (Prof.)
$25,000	$25,041					
			$23,853 (Buyer IV)			
		GS-11	$22,616 (Job Anal. IV)			$22,401 (All Ranks)
			$22,036 (Acct. IV)	$20,120 (All Ranks)	$20,620 (Asso.)	$20,361 (Asso.)
$20,000	$19,263		$18,756 (Auditor III)	$20,020 (Asso.)		
					$17,150 (Asst.)	
				$16,370 (Asst.)		
$15,000						
				$13,420 (Inst.)		$14,533 (Asst.)
$10,000						

TABLE 19

COMPARISON OF CHANGES IN REAL SALARIES FOR INDIVIDUALS IN OTHER PROFESSIONAL AND TECHNICAL GROUPS

Occupational Groups	Percentage Change in Real Salaries 1969-70 to 1979-80	1969-70 to 1974-75	1974-75 to 1979-80
Academic Salaries			
Professor	- 18.4%	- 7.9%	- 11.3%
Associate Professor	- 18.4	- 7.6	- 11.7
Assistant Professor	- 19.3	- 8.2	- 12.0
Instructor	- 18.2	- 7.2	- 11.8
All Ranks	- 18.4%	- 7.8%	- 11.4%
Average Salaries in Selected Professional and Administrative Positions in Private Industry			
Auditor III	- 4.3	- 0.5	- 3.8
Accountant IV	+ 1.6	- 0.2	+ 1.8
Chief Accountant IV	+ 11.2	+ 4.9	+ 6.0
Attorney IV	- 0.3	+ 0.8	- 1.0
Attorney VI	- 2.1	- 3.4	+ 1.4
Chemist V	- 3.1	- 4.2	+ 1.2
Chemist VII	- 5.5	- 6.6	+ 1.2
Engineer VI	- 5.3	- 4.6	- 0.8
Engineer VIII	- 4.8	- 2.5	- 2.4
Job Analyst IV	- 4.5	+ 0.1	- 4.6
Buyer IV	- 1.9	- 1.4	- 0.5
Director of Personnel III	+ 3.5	+ 7.0	- 3.3
Basic Annual Pay Rates for Professional and Administrative Employees of the Federal Government			
Grade P8 or GS-15	+ 0.6	- 7.7	+ 7.7
Grade P6 or GS-13	+ 0.8	- 8.5	+ 8.6
Grade P4 or GS-11	+ 4.7	- 7.2	+ 11.1

Source: *Academe*, page 271 for academic and federal civil service salaries only. Percentage changes for positions in private industry were derived by Commission staff.

able amount to the comparable changes in the Consumer Price Index, the average salary decreased only slightly and actually increased at the University of California between 1969-70 and 1974-75, a period of time in which no across-the-board increases were granted in two of the five years involved. At the State University, although ground was lost in real dollars in all of the periods surveyed, the losses for the all-ranks average salary were substantially less than those experienced at each rank.

The answer to this seeming anomaly lies in the computation of the averages themselves since they are based on the staffing pattern in place in any year surveyed. If there is movement to the upper ranks, the averages will tend to be higher since the higher paying ranks will contain more people, consequently receive a greater weight, and move the averages upward. Thus, the fact that the averages appear to have lost very little ground to the CPI since 1969-70 probably represents a distortion of reality in this case. In short, California faculty have kept pace with inflation only because they have been promoted to higher ranks and not because of range adjustments designed to meet the inflationary spiral. It was for this reason that a single rank, rather than the all-ranks average, was used for Tables 16 and 17.

In September of 1980, the American Association for Higher Education (AAHE) published an article which states that the economic position of the professoriate has deteriorated. 21/ It contains information not included by the AAUP such as alternative price indices (to the CPI) which show lower rates of inflation and more detailed data on occupational comparisons. Using the same occupational classifications (and several others) used by the AAUP and relying on the data from the Bureau of Labor Statistics, the AAHE makes note of the fact that other professional groups have made gains relative to faculty since 1973 in every category mentioned.

TABLE 20

CHANGES IN REAL SALARIES FOR FACULTY AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES 1969-70 TO 1979-80

Segment and Faculty Rank	Percentage Change in Real Salaries 1969-70 to 1979-80	 1969-70 to 1974-75	 1974-75 to 1979-80
University of California			
Professor	- 17.7%	- 10.7%	- 7.9%
Associate Professor	- 18.6	- 10.0	- 9.6
Assistant Professor	- 16.1	- 7.6	- 9.3
All Ranks	- 2.6%	+ 0.6%	- 3.2%
California State University and Colleges			
Professor	- 18.0%	- 8.6%	- 10.2%
Associate Professor	- 15.2	- 8.6	- 7.1
Assistant Professor	- 15.9	- 8.5	- 8.1
Instructor	- 15.0	- 9.6	- 6.0
All Ranks	- 6.6%	- 3.5%	- 3.2%

CHAPTER VI

SUPPLEMENTAL INCOME AND EXTERNAL COMPETITION FOR TALENT

As noted in Chapter V, almost all comparisons between faculty salaries and the salaries of other professional groups omit one important point, the fact that academic salaries are based on approximately nine months of employment while those to which they are compared are based on approximately eleven. The shorter work year for faculty certainly provides time for additional income and this fact has raised questions about the use of that time. For example, all of the studies that have emanated from the academic community point to the salary deficiencies of faculty relative to the cost of living and to other occupations but the question remains whether salaries have really lagged behind when "full-year" earnings are considered. In addition, ethical questions have been raised about research, teaching, and other responsibilities taken on by faculty in addition to their normal responsibilities.

There is a considerable body of data on the outside activities of faculty. In this regard, the previously mentioned study by Dillon and Linnell may be a good point of departure. 22/ It indicates that, because of supplemental income, faculty are not in as poor an economic position as the data from the AAUP might indicate. They also noted a study by Everett Carll Ladd and Seymour Martin Lipset 23/ which showed that "85 percent of faculty at both doctoral and the broader group of doctoral, comprehensive, and liberal arts institutions earned some supplemental income in 1974 . . .," and produced a table which showed the distribution of the sources of that income (see Table 21). More recent figures developed by Dillon, Linnell, and Marsh 24/ for the 1977-78 academic year give an indication of the types of faculty members that receive income from supplemental activities. These figures are shown in Table 22. Finally, even more recent data have been published by John Minter Associates for 1979-80 25/ which indicate that 83.0 percent of faculty at four-year institutions other than liberal arts colleges receive some outside income and that, among those receiving any income at all, the average amount received ranges from a low of $4,118 for associate professors at comprehensive universities and colleges to $7,404 for full professors at research universities. The highest participation rate occurs among full professors at private research universities where 93.8 percent are engaged in some outside work.

Table 22 shows that professors receiving the greatest number of opportunities for outside income and the largest supplemental incomes are in those disciplines most useful to the business

TABLE 21

PERCENT OF FACULTY INDICATING FIRST OR SECOND LARGEST SOURCE OF SUPPLEMENTAL INCOME 1974-75

	Percentage	
Source of Income	Doctorate Institutions	All Doctorate/ Comprehensive/ Liberal Arts
Summer Teaching	27%	39%
Teaching Elsewhere	10	12
Consulting	37	29
Private Practice	7	7
Royalties	15	12
Lectures/Speech Fees	15	13
Research Salaries	18	14
"Other" Sources	20	20
No Supplemental Income	11	11

TABLE 22

SUPPLEMENTAL INCOME AS A PERCENTAGE OF BASE SALARY FOR FACULTY IN ELEVEN ACADEMIC DISCIPLINES AT TWELVE RESEARCH UNIVERSITIES* 1977-78

	Percent for Total Group		Percent for Faculty Earning Any Outside Inc.		Percent With Outside Earnings	Percent Without Outside Earnings
Discipline	Number	Percent	Number	Percent		
English	235	9.6%	134	16.7%	57.0%	43.0%
Foreign Language	146	4.3	51	12.3	34.9	65.1
Philosophy	64	7.0	33	14.2	51.6	48.4
Psychology	188	13.4	148	18.0	78.7	21.3
Economics	101	11.8	63	19.6	62.4	37.6
Sociology	76	15.4	52	21.7	68.4	31.6
Chemistry	115	18.0	92	22.1	80.0	20.0
Physics	126	17.0	105	20.6	83.3	16.7
Biology	147	14.8	108	19.7	73.5	26.5
Business	284	22.8	246	26.7	86.6	13.4
Engineering	534	19.0	438	23.1	82.0	18.0
Totals	2,016	15.8%	1,470	21.5%	72.9%	27.1%

---

*Surveyed institutions included: Columbia U., U. of Michigan, U. of Missouri, U. of Pennsylvania, U. of Pittsburg, Princton U., U. of Rochester, Syracuse U., U. of Southern Cal., Tulane U., Vanderbilt U., and the U. of Wisconsin.

community. For example, the highest participation rates are in the fields of business, physics, engineering, and chemistry (in that order) while the lowest are in foreign languages, philosophy, English, and economics. Those faculty earning the most money are in business, engineering, chemistry, and physics and those earning the least in relation to base salary are in foreign languages, philosophy, English, and economics, exactly the same group as before. Overall, 72.9 percent of the faculty surveyed earned supplemental income equal to at least one percent of their institutional salaries but it is clear that the variance is very great from discipline to discipline.

Several voices within the academic community have pointed to these findings with increasing concern. Dillon and Linnell highlight some of the dangers:

> These data comparing earnings from research versus teaching take on additional meaning when the findings from our work with the Ladd-Lipset data are recalled. While faculty who earned more supplemental income did more research and were no less involved in institutional affairs, they did spend less time teaching and were less interested in teaching relative to research. Furthermore, the income variable most negatively correlated with time spent teaching was not supplemental income, but base salary.
>
> If financial incentives are such that traditional institutional activities appear to be rewarded less than in previous years while "extra" activities result not only in more competitive earnings but also in higher institutional salaries, many faculty will reach the conclusion that their universities want them to be involved in an increased share of supplemental professional work. In fact, comparison of proportional numbers of four-year college faculty involved in consulting for pay indicates this is exactly what has been happening over time. According to survey responses from 1962 to 1975, the proportion of faculty doing paid consulting increased from 13% to 48%. 26/

The question of outside income is a serious one for higher education. When purchasing power diminishes due to inflation, it is inevitable that employees, including faculty, will seek additional compensation from other sources. In many professions, this may not be detrimental but in colleges and universities, the existence of several employers can diminish institutional loyalties and identities with the result that sound planning and a concern for good teaching may be relegated to a level of secondary importance.

External Competition for Talent

A problem related to that of faculty external activities or "moonlighting" is that of competition from business, industry, and government for the most talented young graduates. In the past few years, higher education institutions have had an increasingly difficult time recruiting talented new faculty members in certain fields, especially in business related and high technology areas. At present, most of the "evidence" for this is anecdotal since it is very difficult to compile statistics on the number of people who don't join a particular faculty. Nevertheless, the number of voices being added to the proposition that recruiting is becoming more difficult, as well as the stridency of many of them, begins to create the impression that the problem is a real one in some disciplines.

In the article quoted below, the problem was discussed:

> Universities are finding it almost impossible to recruit new faculty members in some technical subjects. The shortage is most acute in computer science, where overworked departmental chairmen are talking freely of an academic manpower crises. The supply of young faculty members is also drying up ominously in many engineering disciplines, though engineers are generally not as badly off as their computing colleagues. 27/

The article goes on to note that the College Placement Council reported that "engineers got 63 percent of all offers received by this year's graduates," nationwide. Also, and of particular note in California are these comments:

> . . . in practice everyone has to bend to the winds of the job market.
>
> For example, the University of California has no salary differential between subjects, in theory. But in fact the administration has some flexibility to appoint individuals to higher points on the scale. "It is entirely possible--and it often happens--that an assistant professor in engineering or economics (another shortage subject) might receive the same salary as an associate professor in history or English," said UC president David Saxon.
>
> However, the new chancellor of UC Berkeley, Michael Heyman, said: "My intuition tells me that whatever you do to differentiate, you cannot do it by more than about 20 percent, or the rest of the faculty will find it unacceptable."

> But at many institutions the differences between sta
> salaries are already at least 20 percent. Accur
> figures are not available, but an informal survey sug
> that a new assistant professor at an American resea
> university today could expect to draw a salary of $1
> in the humanities and $23,000 in computer science. 28/

Certainly, the problem is not confined to research univer
may well be more severe in the California State Univer
Colleges, where budgetary (and salary) flexibility has gen
been as great as at the University of California. In a rec
item presented to the Board of Trustees on September 23,
case for a more flexible salary structure was presented, a
of which dealt with what might be termed "high competition"

> . . . recent developments have significantly increase
> limitations of the present salary scale and have made
> imperative that the scale be modified. (One) of these
> increased competition for qualified faculty. As stud
> move into fields which they believe will lead to jobs.
> have seen a continuous increase in the number of stu
> majoring in such fields as engineering, accountin
> nursing, criminal justice, and computer scienc
> Unfortunately, these are the very fields in which the
> the most competition for faculty from business, indu
> and public agencies.

At the meeting where this item was discussed, severa
University presidents stated strongly that they were unab
qualified faculty in the fields listed in the agenda
reported several instances of long-term vacancies and the
some positions with marginally qualified individuals.

It has long been known that the State University's salar
compared to those of most colleges and universities ac
country, is unusually rigid. At the four ranks of instruct
full professor there are five steps at each rank and
increases through those steps are virtually automatic. The
this system can be seen in Charts 10 through 13 where the
of faculty at the fifth step of each rank has steadily in
of the 1979-80 academic year. The new proposal, which wa
by the Trustees in January 1981, is shown in Table 23 and
forty-two steps rather than the twenty that currently ex
leaves the current salary system intact with five step r
each of the four ranks and automatic increases each year t
fifth step. After that, ten steps with 2.5 percent inte
added for assistant professors and six additional ste
associate professors and professors, also with 2.5
increments. According to the Trustees, the system would
follows:

CHART 10

PERCENTAGE OF FACULTY AT EACH STEP (TOTAL FACULTY AT TOP THREE RANKS)
CALIFORNIA STATE UNIVERSITY AND COLLEGES
1977-78 TO 1979-80

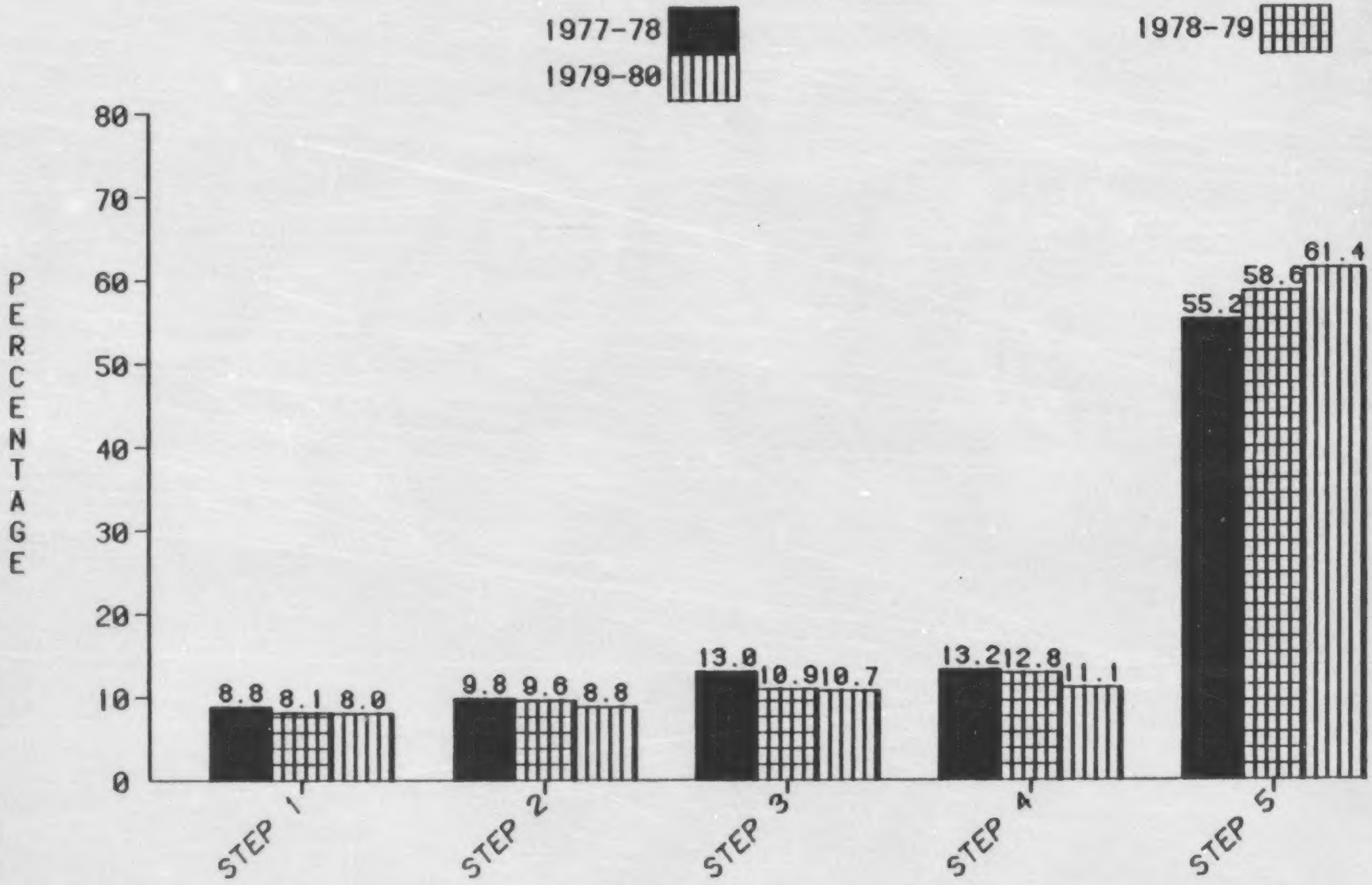


CHART 11

PERCENTAGE OF FACULTY AT EACH STEP (PROFESSORS)
CALIFORNIA STATE UNIVERSITY AND COLLEGES
1977-78 TO 1979-80

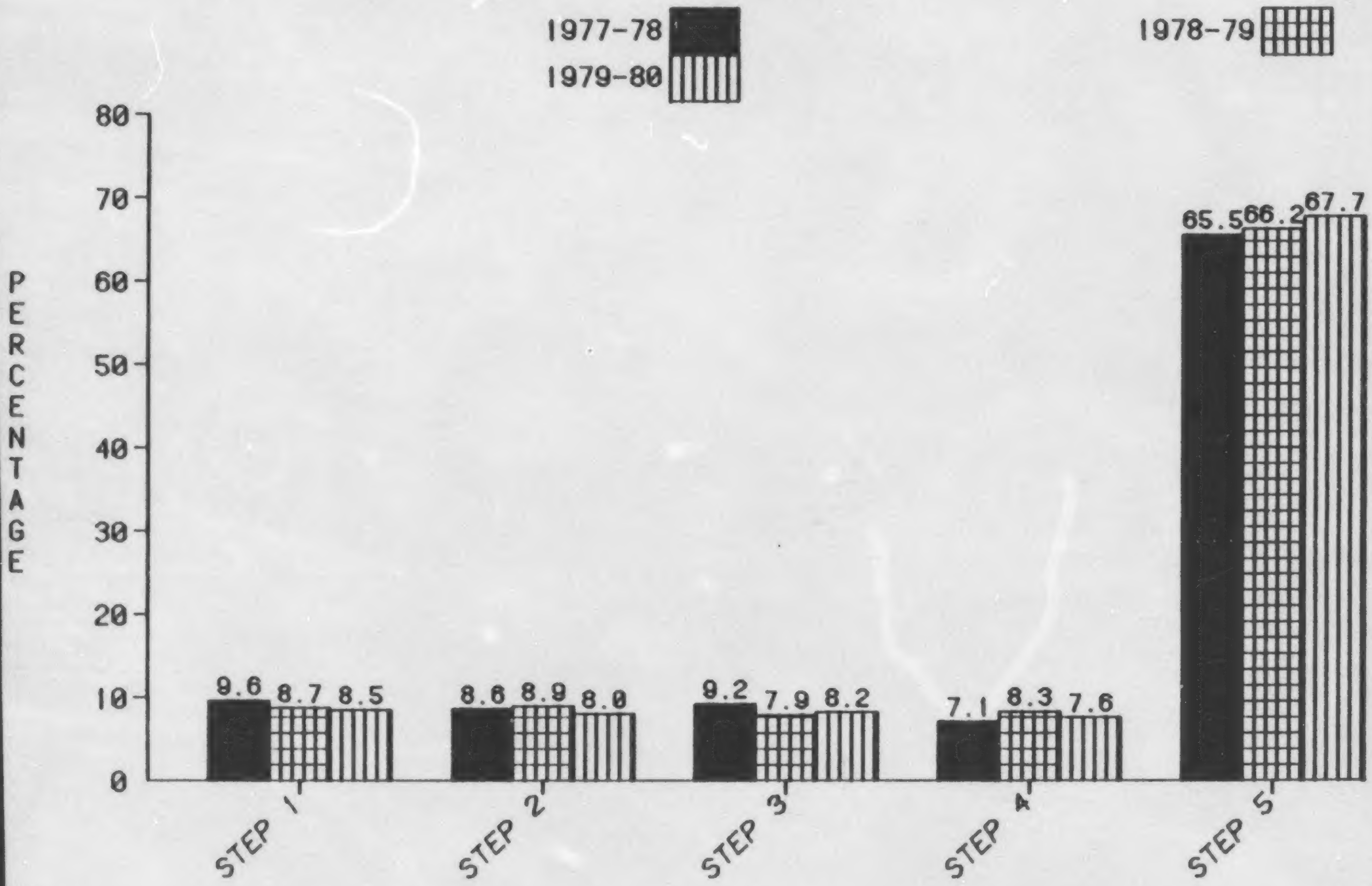


CHART 12

PERCENTAGE OF FACULTY AT EACH STEP (ASSOCIATE PROFESSORS)
CALIFORNIA STATE UNIVERSITY AND COLLEGES
1977-78 TO 1979-80

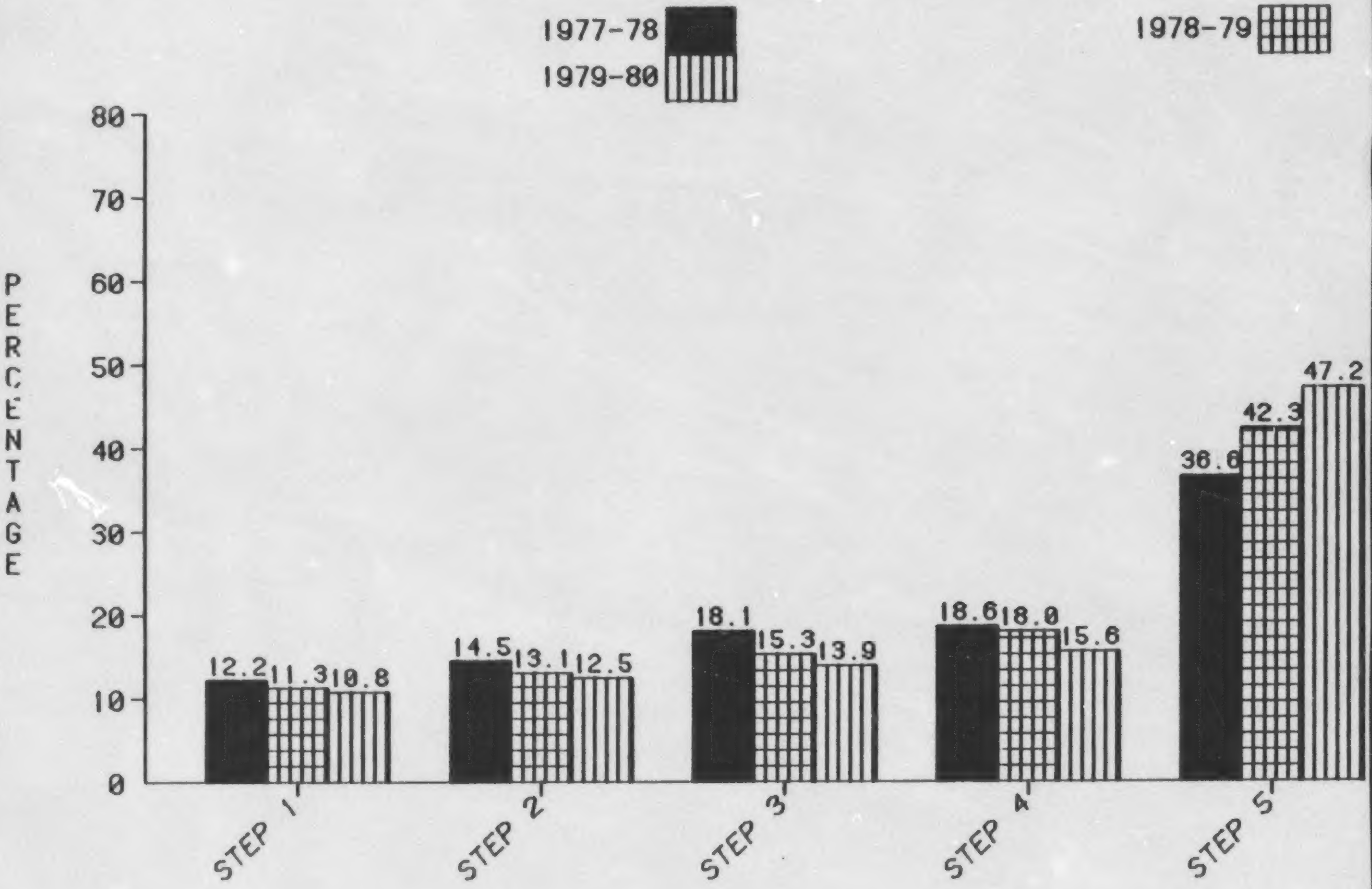


CHART 13

PERCENTAGE OF FACULTY AT EACH STEP (ASSISTANT PROFESSORS) CALIFORNIA STATE UNIVERSITY AND COLLEGES 1977-78 TO 1979-80

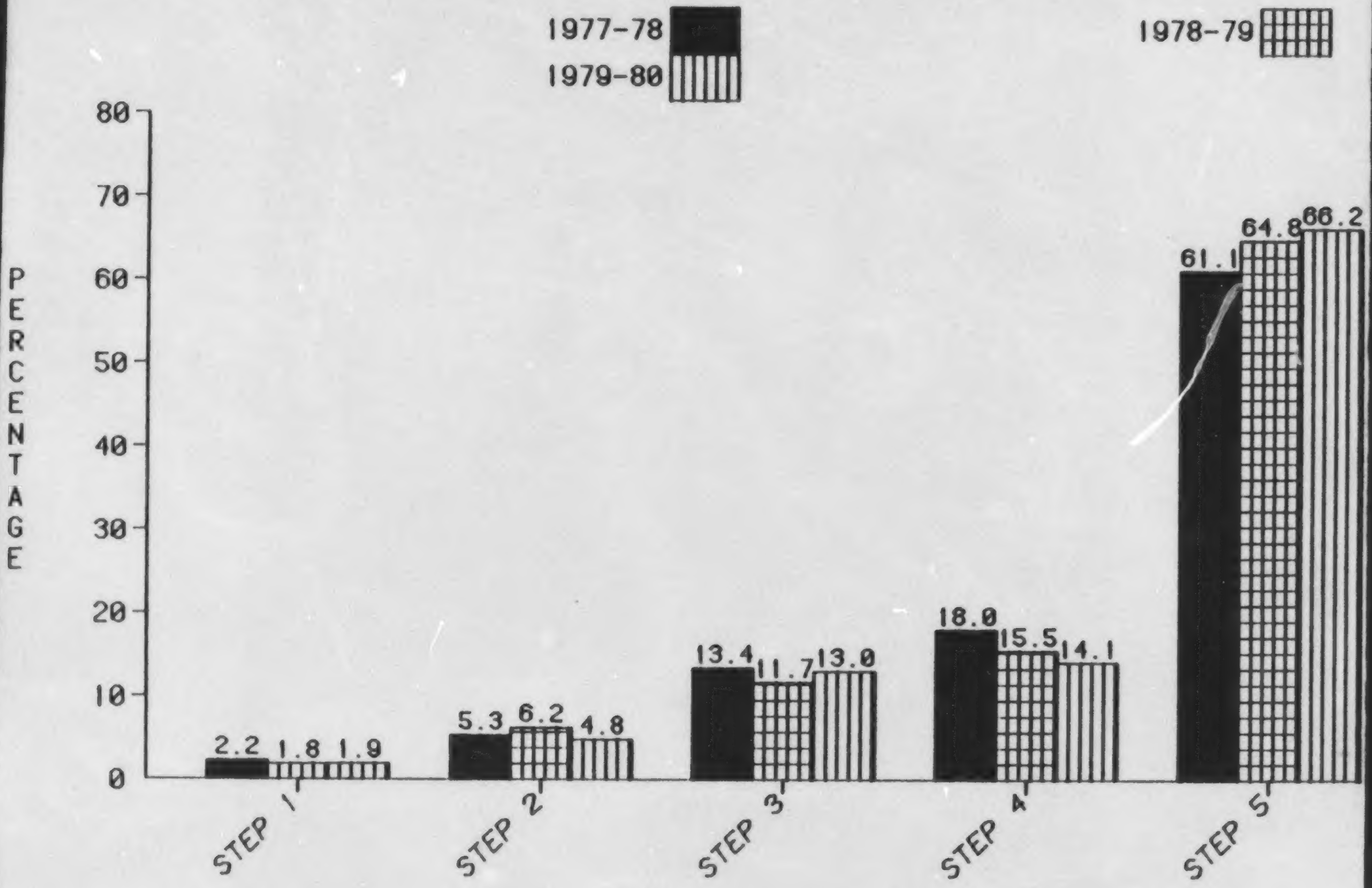


TABLE 23

EXISTING AND PROPOSED ACADEMIC SALARY STRUCTURES
CALIFORNIA STATE UNIVERSITY AND COLLEGES
1980-81

EXISTING STRUCTURE				PROPOSED STRUCTURE			
Instructor	Asst Prof	Asso Prof	Professor	Instructor	Asst Prof	Asso Prof	Professor
$16,392				$16,392			
17,160				17,160			
17,964	$17,694			17,964	$17,964		
18,804	18,804			18,804	18,804		
19,692	19,692			19,692	19,692		
	20,616				20,616		
	21,600				21,600		
					22,104		
		$22,620			22,620	$22,620	
					23,148		
		23,700			23,700	23,700	
					24,252		
		24,828			24,828	24,828	
					25,404		
		26,004			26,004	26,004	
					26,628		
		27,252			27,252	27,252	
						27,900	
			$28,560			28,560	$28,560
						29,244	
			29,940			29,940	29,940
						30,648	
			31,380			31,380	31,380
			32,892				32,892
			34,476				34,476
							35,304
							36,144
							37,008
							37,896
							38,808
							39,732

Notes: Movement into steps higher than the current maximum at any rank requires the approval of the campus president who is not permitted to delegate the responsibility

> Movement in the lower steps would be as it is at present. Movement into the upper steps would require a merit review or the establishment that the move was necessary to respond to competitive salary pressures. Merit reviews would be conducted according to procedures adopted by each campus with the provision that the review must involve all present Trustee criteria for retention, tenure, and promotion and must include peer and administrative review.

The Trustees estimate that the implementation of the new system will cost an additional $1.6 million.

The proposal finally approved by the Trustees is a significant departure from the original idea offered by the State University's Chancellor which called for a fifty-seven step system and merit review at every stage of the process. Technically, the State University, like the California Civil Service, already has a merit system but the practice has evolved of granting merit increases to all but the most unworthy employees. Commonly, the number of faculty members who do not receive a merit increase is less than one percent of those eligible. It is for this reason that merit increases are considered to be virtually automatic in that system, a fact which led the Chancellor to conclude that no real "merit" system exists and to propose the alternative.

At several Trustees' meetings where the new schedule was discussed, there was very strong opposition from faculty groups, particularly the faculty unions which felt that the entire subject should be left to collective bargaining negotiations. As a result, a compromise was reached which protected the automatic features of the current system but added incentives for higher pay based on peer review and additional State funds. The original proposal also included three "super steps" for distinguished professors but these were eliminated by the Trustees.

The effect of a system with automatic merit increases is clearly seen in Charts 10 through 13 and Table 24. As of the 1979-80 academic year, 61.4 percent of the faculty at the three professorial ranks are at the top step. For full professors, that percentage rises to 67.7 percent and has been increasing steadily over the past several years. In contrast, the University of California has operated with a merit system for decades and shows virtually no impaction at any rank, as shown in Table 25. As an example, only 4.0 percent of the University's full professors are at the top step in the current year. It is for this reason that a beginning faculty member is actually better off in the State University system for the first twenty-three years even though the University has a higher salary structure. This is shown in Table 27 and Charts 15 through 18. The University's current salary structure is shown in Table 26.

TABLE 24

CALIFORNIA STATE UNIVERSITY AND COLLEGES
FACULTY DISTRIBUTION BY RANK AND STEP
1979-80

Rank	Step 1	Step 2	Step 3	Step 4	Step 5	Totals
Professor						
Number	489	463	472	436	3,893	5,753
Percent	8.5%	8.0%	8.2%	7.6%	67.7%	100.0%
Associate Professor						
Number	346	399	445	500	1,512	3,202
Percent	10.8	12.5	13.9	15.6	47.2	100.0
Assistant Professor						
Number	36	94	252	274	1,284	1,940
Percent	1.9	4.8	13.0	14.1	66.2	100.0
Totals						
Number	871	956	1,169	1,210	6,689	10,895
Percent	8.0	8.8	10.7	11.1	61.4	100.0

TABLE 25

UNIVERSITY OF CALIFORNIA FACULTY DISTRIBUTION BY RANK AND STEP, 1980-81 (HEADCOUNT)

Rank	STEPS 1	2	3	4	5	6	7	Totals
Professor								
Number	250	403	415	545	397	254	93	2,357
Percent	10.6%	17.1%	17.6%	23.1%	16.8%	10.8%	4.0%	100.0%
Associate Professor								
Number	308	297	460	165	16	---	---	1,246
Percent	24.7%	23.8%	36.9%	13.3%	1.3%			100.0%
Assistant Professor								
Number	9	115	330	294	101	18	---	867
Percent	1.0%	13.3%	38.1%	33.9%	11.6%	2.1%		100.0%
Totals								
Number	567	815	1,205	1,004	514	272	93	4,470
Percent	12.7%	18.2%	26.9%	22.5%	11.5%	6.1%	2.1%	100.0%

CHART 14

UNIVERSITY OF CALIFORNIA FACULTY DISTRIBUTION
BY RANK AND STEP, 1980-81

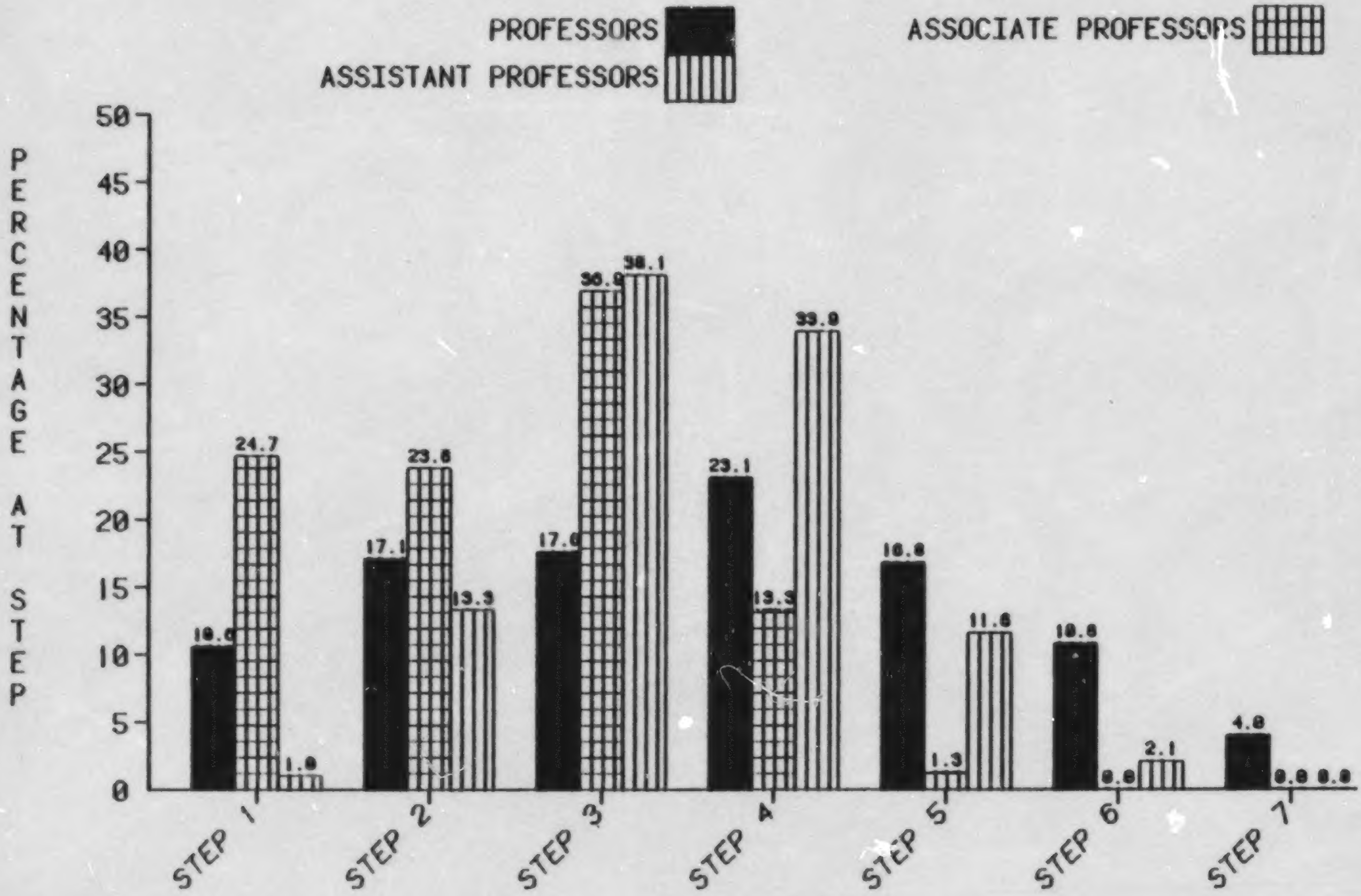


TABLE 26

ACADEMIC SALARY STRUCTURE
UNIVERSITY OF CALIFORNIA
1980-81

INSTRUCTOR

$15,800

ASSISTANT PROFESSOR

1	$18,600	(2)	
			(4.3)
2	19,400	(2)	
			(5.7)
3	20,500	(2)	
			(6.3)
4	21,800	(2)	
			(6.0)
5	23,100	(2)	
			(6.1)
6	24,500	(2)	

ASSOCIATE PROFESSOR

1	$23,200	(2)	
			(6.0)
2	24,600	(2)	
			(6.1)
3	26,100	(2)	
			(8.4)
4	28,300	(3)	
			(10.6)
5	31,300	(3)	

PROFESSOR

1	$28,400	(3)	
			(10.6
2	31,400	(3)	
			(10.5
3	34,700	(3)	
			(9.5
4	38,000	(3)	
			(8.4
5	41,200	(-)	
			(8.0
6	44,500	(-)	
			(9.2
7	48,600	(-)	

Notes: Single numbers in parenthesis (e.g. (2)) indicate the normal number of years at that step. Other numbers in parenthesis (e.g. (4.3), (8.4), etc.) indicate the percentage differences between steps.

TABLE 27

SALARIES PAID TO UNIVERSITY OF CALIFORNIA AND CALIFORNIA STATE UNIVERSITY AND COLLEGES FACULTY OVER A TWENTY YEAR PERIOD

	Annual Salaries Paid*	
Years of Service	University of California	California State University and Colleges
1	$20,500	$19,692
2	20,500	20,616
3	21,800	21,600
4	21,800	21,600
5	23,100	22,620
6	23,100	23,700
7	24,600	24,828
8	24,600	26,004
9	26,100	27,252
10	26,100	28,560
11	28,300	29,940
12	28,300	31,380
13	28,300	32,892
14	31,400	34,476
15	31,400	34,476
16	31,400	34,476
17	34,700	34,476
18	34,700	34,476
19	34,700	34,476
20	38,000	34,476
Total Compensation Received		
First Five Years	$107,700	$106,128
First Ten Years	232,200	236,472
First Fifteen Years	379,900	399,636
First Twenty Years	553,400	572,016

---

*It is assumed that professors in both systems begin at Assistant Professor, third step. All salaries shown are geared to the 1980-81 salary schedules. It should be noted that University of California professors make $808 more than State University professors the first year and hold their advantage for about five and one-half years. After that, State University professors make more until almost the twenty-fourth year of service. In terms of total compensation, University professors make more for about seven and one-half years after which State University professors assume a lead for the subsequent sixteen years. Finally, it must be emphasized that this comparison does not apply in all cases.

CHART 15

SIMULATION OF SALARIES PAID TO A UNIVERSITY OF CALIFORNIA FACULTY MEMBER AND A CALIFORNIA STATE UNIVERSITY AND COLLEGES' FACULTY MEMBER OVER A TWENTY YEAR PERIOD

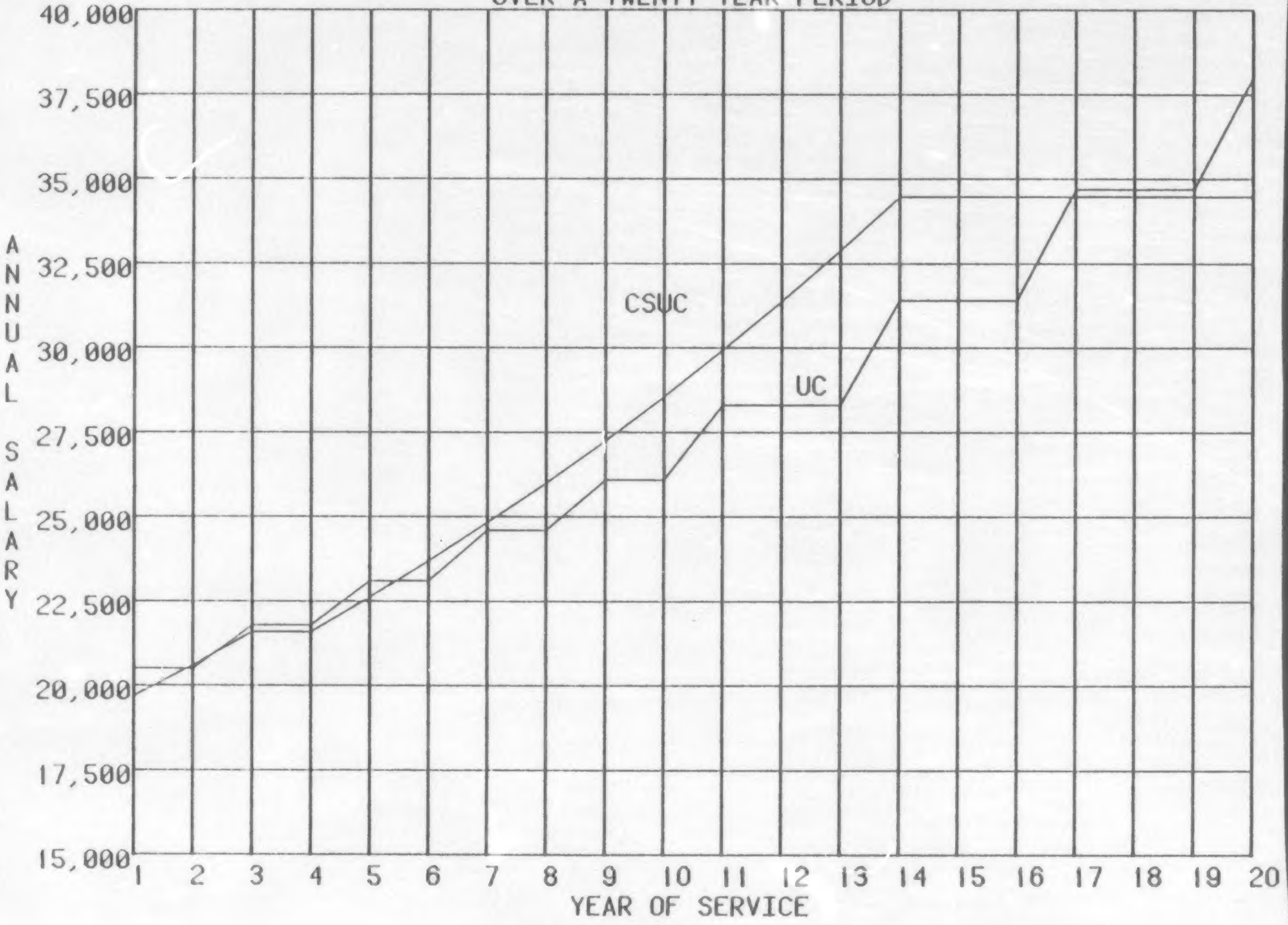


CHART 16

SALARIES PAID TO UNIVERSITY OF CALIFORNIA AND CALIFORNIA STATE UNIVERSITY AND COLLEGES FACULTY OVER A THIRTY YEAR PERIOD (FIRST TEN YEARS)

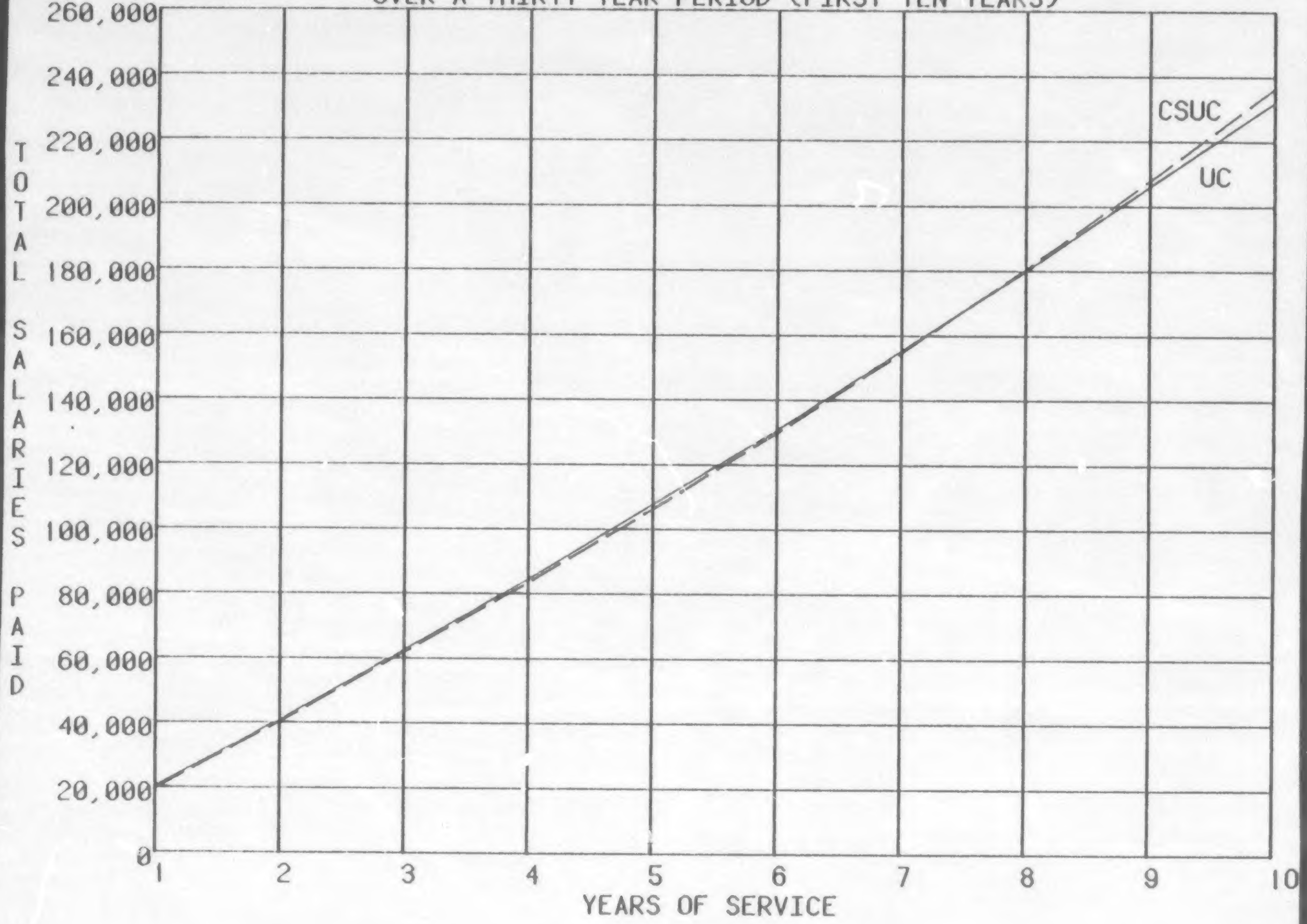


CHART 17

SALARIES PAID TO UNIVERSITY OF CALIFORNIA AND CALIFORNIA STATE UNIVERSITY AND COLLEGES FACULTY OVER A THIRTY YEAR PERIOD (SECOND TEN YEARS)

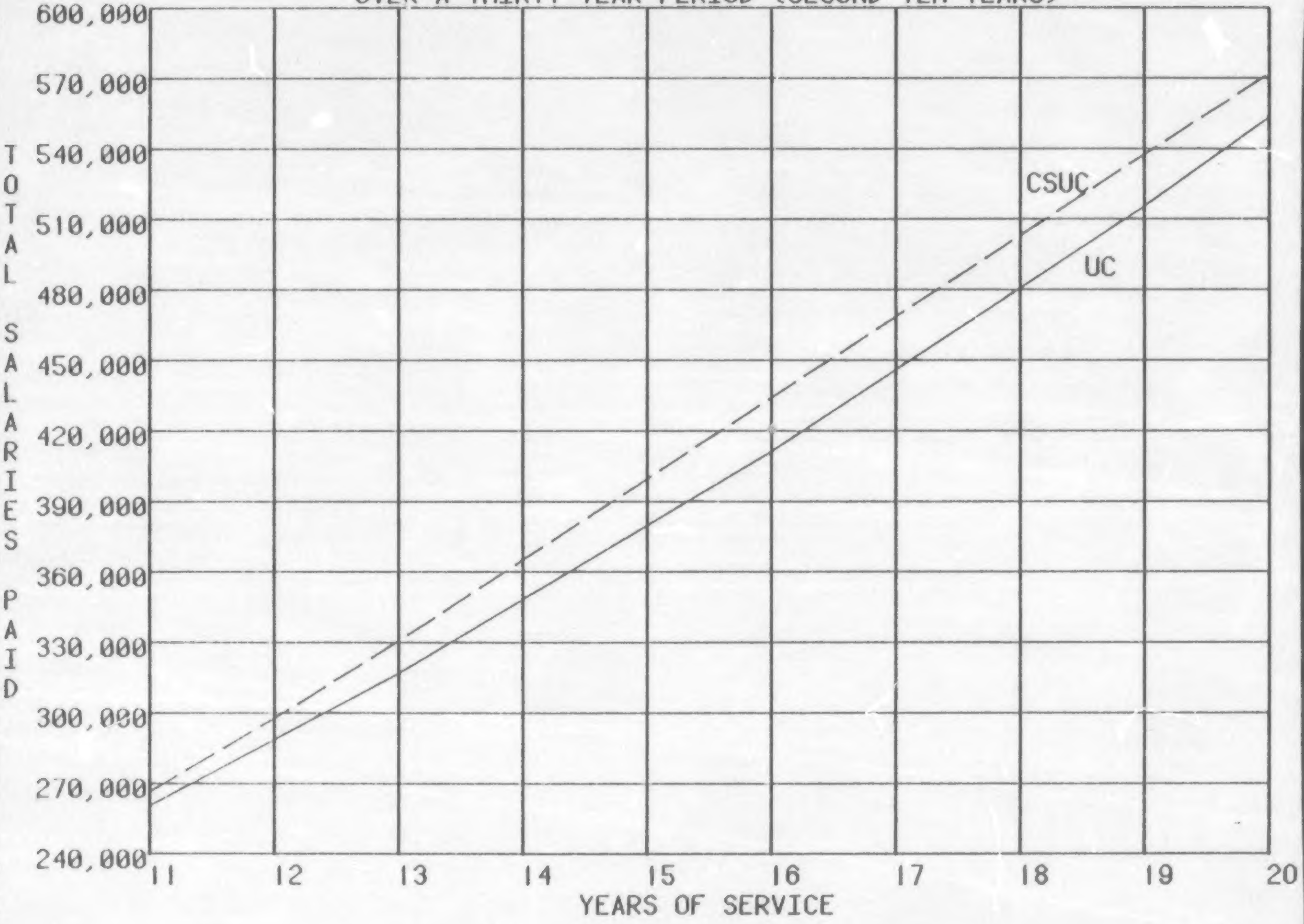
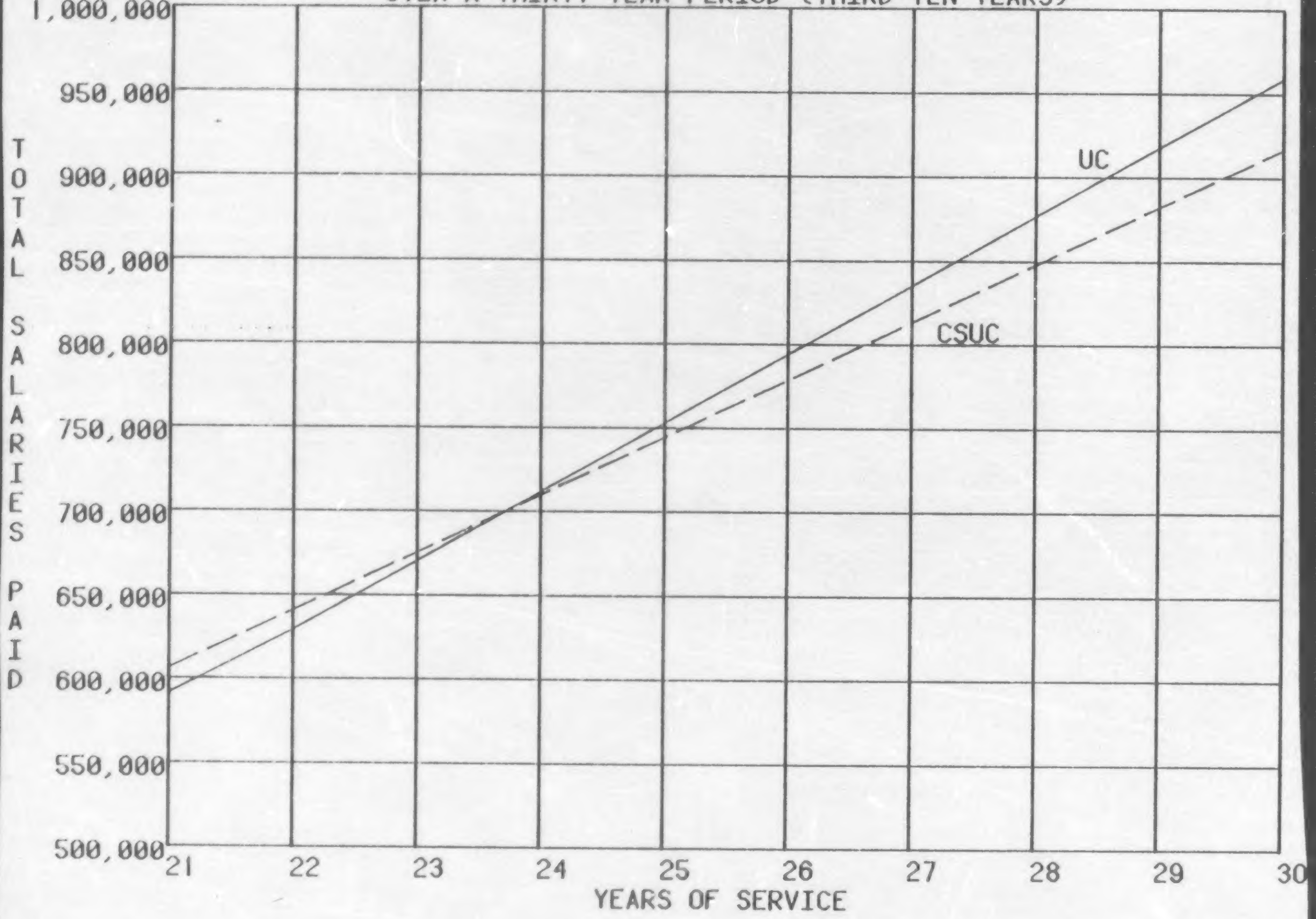


CHART 18

SALARIES PAID TO UNIVERSITY OF CALIFORNIA AND\ CALIFORNIA STATE UNIVERSITY AND COLLEGES FACULTY OVER A THIRTY YEAR PERIOD (THIRD TEN YEARS)



CHAPTER VII

PROJECTED COST OF FRINGE BENEFITS AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES AND AT THEIR RESPECTIVE COMPARISON INSTITUTIONS

The projected 1981-82 cost of fringe benefits at the University of California and the California State University and Colleges is shown in Table 28.

Fringe benefits for faculty consist of retirement, Social Security, unemployment insurance, Workmen's Compensation, health insurance, life insurance, and disability insurance. The largest component of the benefit package is retirement, which amounts to approximately 80 percent of all countable fringe benefits at the University and 70 percent at the State University. This single factor has a profound effect on the usefulness of the data in Table 28, since the employer's cost of providing a retirement program may bear only an indirect relationship to the benefits received by the employee.

There are, of course, many different types of retirement programs in operation across the country. Some are funded by public agencies, some through private associations, and others through insurance companies. In some cases, the public retirement program is self-contained within the institution (e.g., the University of California Retirement System--UCRS). In other cases, the program includes public agencies outside of postsecondary education (e.g., the Public Employees Retirement System--PERS, which includes State University faculty and nonacademic employees along with most other State employees).

Because the payments to and the benefits from these fringe benefit programs vary widely, it is virtually impossible to make a precise determination of the benefits received by analyzing dollar contributions. Additionally, there are the problems of vesting and portability. Some retirement systems become vested with the employee after only a year or two, while others require considerably longer. A faculty member who works in one system for four years may not yet have his benefits vested, while a faculty member in another system may enjoy the vesting benefit. An employee who leaves a retirement program prior to vesting receives no benefits in spite of the fact that payments have been made by his or her employer. Further, some retirement programs permit an employee to carry the employer's contributions with him when he goes to a new employer; others do not. This feature, generally referred to as "portability," can be a major benefit, but it is not reflected in the cost figures that are currently used to indicate the relative status of University and State University faculty vis-a-vis their comparison groups.

TABLE 28

ALL-RANKS AVERAGE COST OF FRINGE BENEFITS AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES, REQUIRED TO EQUAL THE COMPARISON INSTITUTION PROJECTIONS FOR 1981-82

Institution	Cost of Fringe Benefits in 1980-81	Comparison Institution Projected Cost of Fringe Benefits in 1981-82	Projected Percentage Increase Required: 1981-82
University of California	$8,461	$6,101	-27.89%[1]
California State University and Colleges	$8,021	$5,515	-31.23%[2]

---

[1] Adjusted for the effect of a +5.75 percent range adjustment.

[2] Adjusted for the effect of a -0.50 percent range adjustment.

Another ingredient in the fringe benefit stew is the fact that not all benefits are included in the current methodology. For example, some institutions may offer, in addition to retirement programs: Social Security contributions, medical insurance, and the like; such items as tuition waivers or reductions for dependents; free athletic tickets; dental insurance; discounted housing; and similar perquisites. Such financial incentives for faculty may not be reflected in the comparisons at the present time since it can be very difficult to assign a monetary value to them, but they could have much to do with the overall attractiveness of a university to a prospective (or continuing) faculty member.

For these reasons, a caveat included in several previous salary reports should again be stressed: the reliability of the fringe benefit data shown in Table 28 is limited and should be used with the utmost caution! Because of this, the segmental view that fringe benefits for faculty should correspond to those for all other State employees, is probably the most reasonable.

CHAPTER VIII

CALIFORNIA COMMUNITY COLLEGE FACULTY SALARIES

In his Analysis of the Budget Bill, 1979-80, the Legislative Analyst recommended that the Commission include information on the Community Colleges in its annual report on faculty salaries. In response to that recommendation, the Commission published a preliminary analysis of Community College faculty salaries in the final salary report for 1979, one which considered data from the 1977-78 fiscal year. No data were presented for 1978-79 (the then current year) since the Chancellor's Office of the Community Colleges had abandoned such data collection as part of the cutbacks resulting from Proposition 13.

Subsequently, Commission staff proposed that submission of data on Community College faculty salaries be formalized and the Legislature appropriated $15,000 to the Chancellor's Office for that purpose, the amount that office indicated would be needed. In August of 1979, a letter was sent to the Chancellor detailing the specific information desired. Commission staff also requested that data for 1978-79 be provided by November 1, 1979, and that data for 1979-80 be forthcoming by March 1, 1980. Data was to be submitted by March 1 for each succeeding year (see Appendix L).

In the post-Proposition 13 era, the importance of this report has increased. Prior to that time, it may well have been arguable that information on Community College salaries was not relevant to the discussion of State budget priorities on the grounds that the Governor and the Legislature had no authority to set such salaries and also because less than half of the support for Community College operations came from the State level. At the present time, however, the State is providing over 70 percent of the funding for the Community Colleges and since salaries represent the largest single component of Community College budgets, it has become necessary for State officials to consider how apportionments are being spent. Even though the Legislature has no direct authority to set salaries at the local level, it is very clear that the amount appropriated for Community College support has a very strong, if indirect, effect on salary levels. As the State assumes a greater responsibility for funding, the need for accurate and detailed information will increase, particularly when the demands on State resources exceed the revenues available to meet them.

This is the second year that the Community Colleges have submitted a formal report to the Commission and it has been found that certain problems are recurring that have made analysis difficult. The types of information submitted include the following:

1. Full- and part-time faculty with totals given for headcount faculty (including breakdowns for full-time, full-time with overload assignments, and part-time faculty);
2. Total salaries paid;
3. Percentage salary range increases from the prior year, bonuses, salary ranges, and mean and median salaries;
4. Number of new faculty on both a full- and part-time basis;
5. Number of teaching days;
6. Number of units of average daily attendance (ADA);
7. Number of weekly faculty contact hours (WFCH) for all categories of faculty listed in 1 above; and
8. Compensation per WFCH for full-time faculty with overload assignments and for part-time faculty. WFCH totals for full-time faculty without overload assignments were deleted from the report on the grounds that class hours do not represent the full responsibilities of full-time faculty and might therefore be misleading when compared to part-time faculty.

Although the report submitted for 1980-81 is useful in a number of respects, it also contains several serious inconsistencies and omissions. These fall into five categories:

1. Of the seventy Community College districts in the State, data on cost-of-living adjustments were missing for nineteen districts. In the 1979-80 report, data of this type were absent for fifteen districts. What this means is that the average salaries listed for those districts for which range adjustments were not updated are actually the prior year salaries with adjustments for merit increases, new hires, retirements, and promotions. Thus, while the average cost-of-living adjustment in those districts which granted increases (51 districts) is 9.2 percent, those that did not report but only reflected prior year averages with adjustments showed an increase of only 1.7 percent.

   In an effort to update the Chancellor's Office report, Commission staff called the nineteen districts which did not submit information and obtained cost-of-living adjustment figures for thirteen of them. The addition of these districts did not change the average cost-of-living adjustment figure of 9.2 percent.

In fairness to the Chancellor's Office, it should be noted that the absence of these data in their report was probably not their fault. Community College districts complete contract negotiations with their faculties throughout the year. In some cases, these negotiations are prolonged and settlements are not reached until after the deadline for the Chancellor's report. Even in the middle of March, six districts had still not completed negotiations for the current year. In addition, data collection from local districts has become more difficult since the passage of Proposition 13 and the Gann Initiative.

2. The second difficulty concerns inconsistencies in faculty headcounts. The Chancellor's report contains eight summary tables (1, 2A, 2B, 3A, 3B, 4, 5, and 6) with full-time faculty shown in Tables 1 and 2A in which there are inconsistencies in the totals for eleven districts. In some cases, the inconsistencies may be the result of difference in counting procedures by departments at the district level but the differences are so apparently random that the suspicion of simple error becomes quite great. Table A in Appendix M illustrates. Tables B and C in Appendix M show similar inconsistencies for full-time faculty with overload assignments and for part-time faculty.

   What is disturbing about the figures in the Chancellor's report is their seeming randomness. In Table C in Appendix M for part-time faculty, for example, some entries seem to be no more than omissions as in the cases of Coast, Kern, Rio Hondo, and San Diego where a "0" is shown in Table 4 of the Chancellor's report. In others, the differences are very slight as in the cases of El Camino, Palomar, Palo Verde, San Francisco, and San Luis Obispo but even with these five districts, there is no pattern to the differences since the figures in Table 1 are higher in two cases and lower in the other three. In six of the twenty-three districts listed, the differences between Table 1 and 4 of the Chancellor's report are greater than 20 percent.

3. The information on bonuses is incomplete and possibly confusing. For example, there are nine districts which list both specific bonuses and degree ranges for doctorate degree holders. Given this double listing for the same educational requirements, it seems reasonable to presume that the number of faculty listed for each should be the same. In six of the nine districts, they are the same but in the other three, they are different. The cases involved are the Los Rios District which lists forty-three faculty members as receiving doctoral bonuses but ninety-six faculty in the doctorate degree range,

the Palomar District which lists thirty faculty as receiving bonuses but only twenty-two in the doctoral range, and the Sonoma County District which lists eleven faculty in the bonus category and seventeen in the doctoral range. No explanation is provided for these differences.

Ten districts list a number for faculty receiving doctoral or other bonuses but no dollar amount. In five of these cases, the absence of a dollar figure is explained because there is a separate doctoral range for Ph.D. holders with the dollar amounts listed but there is no explanation for the other five. In addition, where bonuses are listed for reasons other than the holding of a Ph.D., there is no indication given as to why bonuses are paid. It seems probable that these "other" bonuses are awarded for special degrees or credentials but they should be indicated.

Eight districts have top ranges for which faculty must hold either the doctorate or an accumulation of degrees and units. These are listed below:

TABLE 29

REQUIREMENTS FOR QUALIFICATION FOR THE HIGHEST FACULTY SALARY RANGE IN EIGHT COMMUNITY COLLEGE DISTRICTS

District	Qualifications
Contra Costa	MA + 60 to 90 Units or Ph.D.
Foothill-De Anza	MA + 60 to 90 Units or Ph.D.
Glendale	BA + 70 to 100 With MA or Doctorate
Mira Costa	BA + 70 to 100 With MA or Doctorate
Mt. San Antonio	BA + 70 to 100 With MA or Doctorate
Peralta	BA + 70 to 100 With MA or Doctorate
Saddleback	MA + 60 to 90 or Ph.D.
State Center	BA + 90 to 120 With MA or MA + 60 to 85 or Ph.D.

In four of these districts, the number of Ph.D. or doctorate holders is listed; in the other four, it is not.

4. There is also incomplete reporting of Weekly Faculty Contact Hours (WFCH). The omissions are shown in Table D in Appendix M.

There are also inconsistencies between tables for WFCHs. This is shown in Table E, Appendix M, for part-time faculty.

In addition, there are four districts which list a number of faculty as having overload assignments that are not listed in another table and two districts that did not report at all.

5. Table 6 of the Chancellor's report lists cost per WFCH for full-time faculty with overload assignments and for part-time faculty but omits similar data for full-time faculty without overloads. These data can still be generated by combining data from other tables so the exclusion only has the effect of creating additional and unnecessary workload. As stated earlier in this report, the cost data were not included because of the Chancellor's Office belief that it is misleading since full-time faculty have other assignments and duties that are not reflected in the WFCH counts. Nevertheless, such cost information is indicative of the relationship between full-time and part-time faculty and is, therefore, a relevant part of the report. In future years, it should be included.

Because of the inconsistencies, probable errors, and numerous omissions of data, the figures that follow should be viewed skeptically and used with great caution if they are used at all. In the future, both the local districts and the Chancellor's Office should exercise greater care in the developmental and editing aspects of the report. Most of the inconsistencies seem to be the result of carelessness and some may be no more than typographical errors. But because of the number of discrepancies, the entire report is necessarily cast into question.

General Description of Community College Salaries and Salary Structures for 1980-81

The diversity of Community College salaries can be illustrated in a number of ways. There appears to be little uniformity in the amounts paid to faculty members from district to district and in the qualifications for various salary levels. Unlike the two four-year segments, where salary schedules are consistent statewide (based on five to seven step ranges for four faculty ranks) the Community Colleges have no common ranking structure but provide salaries on the basis of an accumulation of degrees and units and on seniority. Table 30 shows the salary structures of the three public segments. The salary schedule for the San Francisco Community College District is chosen as the Community College example since its structure is representative in terms of number of classifications and steps and because its mean salary is close to the average for the system.

Another way the diversity of Community College salaries can be shown is in the average salaries paid to full-time faculty. Table 31 shows these salaries for the five highest and five lowest paying districts in the State over the past four years. In some cases for 1980-81, the average salaries reported by the Chancellor's Office have been adjusted to reflect cost-of-living adjustments that were still in the process of negotiation when the Chancellor reported to the Commission.

TABLE 30

FACULTY SALARY SCHEDULES FOR THE UNIVERSITY OF CALIFORNIA, THE CALIFORNIA STATE UNIVERSITY AND COLLEGES, AND THE SAN FRANCISCO COMMUNITY COLLEGE DISTRICT

1980-81

University of California

Professor

Step 1	$28,400
Step 2	31,400
Step 3	34,700
Step 4	38,000
Step 5	41,200
Step 6	41,200
Step 7	48,600

Associate Professor

Step 1	$23,200
Step 2	24,600
Step 3	26,100
Step 4	28,300
Step 5	31,300

Assistant Professor

Step 1	$18,600
Step 2	19,400
Step 3	20,500
Step 4	21,800
Step 5	23,100
Step 6	24,500

California State University and Colleges

Professor

Step 1	$28,560
Step 2	29,940
Step 3	31,380
Step 4	32,892

Associate Professor

Step 1	$22,620
Step 2	23,700
Step 3	24,828
Step 4	26,004
Step 5	27,252

Assistant Professor

Step 1	$17,694
Step 2	18,804
Step 3	19,692
Step 4	20,616
Step 5	21,600

Instructor

Step 1	$16,392
Step 2	17,160
Step 3	17,964
Step 4	18,804
Step 5	19,692

San Francisco Community College District

Qualifications for Classification

I	Appropriate Credential
II	Bachelor's Degree
III	BA + 1 to 20 Units
IV	BA + 21 to 40 Units
V	BA + 41 to 60 Units
VI	BA + 31 to 60 Units or a Master's Degree
VII	Doctorate

Salary Classifications

Steps	I	II	III	II	V	VI	VII
1	$13,086	--	--	--	--	--	--
2	14,052	$14,052	--	--	--	--	--
3	15,018	15,018	$15,018	--	--	--	--
4	15,984	15,984	15,984	$15,984	--	--	--
5	16,950	16,950	16,950	16,950	$16,950	--	--
6	17,916	17,916	17,916	17,916	17,916	$17,916	--
7	18,882	18,882	18,882	18,882	18,882	18,882	--
8	19,848	19,848	19,848	19,848	19,848	19,848	$19,848
9	20,814	20,814	20,814	20,814	20,814	20,814	20,814
10	21,780	21,780	21,780	21,780	21,780	21,780	21,780
11	22,746	22,746	22,746	22,746	22,746	22,746	22,746
12	23,712	23,712	23,712	23,712	23,712	23,712	23,712
13	--	24,678	24,678	24,678	24,678	24,678	24,678
14	--	--	25,644	25,644	25,644	25,644	25,644
15	--	--	--	26,610	26,610	26,610	26,610
16	--	--	--	--	27,576	27,576	27,576
17	--	--	--	--	--	28,542	28,542
18	--	--	--	--	--	29,508	29,508
19	--	--	--	--	--	30,474	30,474

TABLE 31

HIGHEST AND LOWEST SALARIES PAID BY CALIFORNIA COMMUNITY COLLEGES 1977-78 TO 1980-81*

District	1977-78	1978-79	1979-80	1980-81
San Joaquin Delta	$24,657(1)	$26,419(1)	$27,715(9)	$30,711(4)
San Mateo	24,420(2)	---	27,754(7)	30,899(3)
Contra Costa	24,178(3)	---	28,239(1)	31,295(1)
North Orange	23,763(4)	26,949(2)	27,755(6)	No Report
Saddleback	23,748(5)	---	27,732 (8)	30,697(6)
Barstow	---	25,902(4)	27,338(14)	29,933(12)
Cerritos	---	25,980(3)	27,560(11)	30,502(8)
San Jose	---	25,830(5)	28,125(2)	30,442(9)
Foothill-De Anza	---	---	27,919(3)	No Report
Long Beach	---	---	27,850(4)	30,699(5)
Coast	---	---	27,801(5)	30,281(11)
Coachella Valley	---	---	27,640(10)	30,988(2)
Statewide Mean	$22,467	$24,209	$26,270	$28,988
Antelope Valley	$19,905(66)	---	$22,028(69)	$24,352(70)
Fremont-Newark	19,812(67)	---	25,773(38)	26,158(62)
Cabrillo	19,479(68)	---	24,555(56)	26,120(64)
Lake Tahoe	19,047(69	21,192(68)	23,692(65)	26,689(56)
Palo Verde	15,528(70)	16,202(70)	21,539(70)	24,549(69)
Mt. San Jacinto	---	21,049(69)	24,739(54)	27,370(53)
Compton	---	21,358(67)	23,924(63)	26,388(60)
San Francisco	---	21,364(66)	25,400(45)	28,234(39)
Mendocino	---	---	24,142(57)	26,497(59)
Napa	---	---	23,204(68)	25,318(68)
West Kern	---	---	23,470(67)	26,235(61)
Rio Hondo	---	---	23,663(66)	No Report
Gavilan	---	---	24,011(62)	25,418(67)
Kern	---	---	24,052(61)	25,724(66)

---

* In each of the years shown, some districts did not report. Thus, the designations of rank for any district would be subject to change. What the table is designed to show is both the relationship between districts and the highest and lowest paying among those who did report. Thus, where Antelope Valley is shown as the lowest paying district for 1980-81, it is possible that a non-reporting district may have paid less.

As noted earlier, the Chancellor's Office reported cost-of-living adjustments which averaged 9.2 percent for fifty-one of the seventy districts. When the other thirteen districts for which Commission staff obtained range increases are added to this total, the systemwide increase for sixty-four districts is unchanged. This compares to the 9.75 percent increase granted to faculty at the University of California and the California State University and Colleges. The highest increase reported was in the San Bernardino Community College District (13.5%) while the lowest was in the Pasadena Community College District (6.0%). All of the sixty-four districts that reported had at least a 6.0 percent increase.

A distinctive feature of Community College education is the heavy use of part-time faculty. Table 32 shows the number of part-time faculty used by: (1) headcount; (2) percentage of headcount; and (3) percentage of Weekly Faculty Contact Hours taught. In each case, the data are not entirely consistent due to differences in the number of districts reporting so the numbers reported should be taken as approximations. Nevertheless, experience over the past several years has shown that, even with as many as fifteen districts not reporting, the numbers are still close to what would be expected for the total.

TABLE 32

FULL-TIME AND PART-TIME FACULTY IN THE CALIFORNIA COMMUNITY COLLEGES 1978-79 THROUGH 1980-81

Item	1978-79	1979-80	1980-81
Number of Faculty			
Full Time (no overload)	9,856 (67)	10,565 (70)	9,684 (69)
Full Time (with overload)	5,882 (67)	6,563 (70)	6,021 (69)
Part Time	25,918 (67)	27,828 (70)	26,488 (69)
Percentage of Faculty			
Full Time (no overload)	23.7%	23.5%	23.0%
Full Time (with overload)	14,1	14.6	14.3
Part Time	62.2	61.9	62.8
Weekly Faculty Contact Hours (Percentage)			
Full Time (no overload)	40.0%	39.0%	36.6%
Full Time (with overload)	29.5	30.0	29.1
Part Time	30.5	31.0	34.3

Table 32 appears to show that part-time faculty are assuming a greater proportion of the teaching load in the Community Colleges. Although this may be a true representation, it should be added that the data is not consistent over the three years noted and that it would not be advisable to draw firm conclusions from them. What can be said is that each of the three categories of faculty listed in the table are carrying about a third of the load in spite of the fact that part-time faculty outnumber full-time faculty by about a five-to-three margin.

Another statistic which indicates a greater reliance on part-time faculty is the number of new faculty hired. Where part-time faculty for the sixty-nine districts that reported (all but Santa Clarita) represent 62.8 percent of the total headcount, 88.4 percent of the new hires were part-timers. Again, however, these data are not totally reliable due to inconsistent reporting.

In last year's report, it was noted that full-time faculty are paid approximately two-and-one-half times as much as part-time faculty for each Weekly Faculty Contact Hour taught. This year, although complete data is available for only forty-seven districts, the ratio is 2.51-1, virtually identical to last year's figure. For those districts, full-time faculty are paid $51.26 per WFCH (excluding any compensation for overload assignments) while part-timers are paid $20.42. It should be noted that full-time faculty are more likely to have responsibilities for counseling, advising, committee work, and related matters that consume time but are not reflected in the WFCH totals. The only question is the ratio since it seems highly unlikely that the responsibilities of full-time faculty are two-and-one-half times as great as those of part-time faculty.

CHAPTER IX

MISCELLANEOUS ITEMS: COLLECTIVE BARGAINING; MEDICAL FACULTY SALARIES AT THE UNIVERSITY OF CALIFORNIA

Collective Bargaining

Collective bargaining for the University of California and the California State University and Colleges is governed by AB 1091 (Berman) which was signed by the Governor in 1978. Among its many provisions, it states that the Public Employment Relations Board (PERB) shall establish units of representation and act as the final arbiter in all disputes between employers and employees. Following the determination of units, an election is held among the members of those units to decide the group's exclusive representative, if any representative is chosen at all. On each ballot, the choice of "no representation" is always included. At the University of California, elections are being held on a campus-by-campus basis. Within the State University system, elections are systemwide. There is, therefore, the possibility that some University of California campuses may be under collective bargaining while others will not. In the State University, either the entire system will negotiate an agreement or none of the campuses will. At the present time, the University campuses at Berkeley and Los Angeles have decided against collective bargaining by narrow margins while the faculty at the Santa Cruz campus voted for the faculty association as their exclusive representative. In the Los Angeles and Santa Cruz cases, however, none of the choices received a majority vote so runoffs will be required. In each case, the choices will be narrowed to the faculty association and "no representation," the American Federation of Teachers having been eliminated from consideration.

In the State University, four different bargaining units were selected by the PERB hearing officer on March 6. These units include: (1) tenure-track faculty, librarians, counselors, student affairs officers, and department chairmen; (2) non-tenured faculty, including coaches, full- and part-time lecturers, and directors of athletics; (3) educational support staff including student affairs assistants, evaluation technicians, and health care professionals other than physicians; and (4) physicians. The size of these groups are approximately 12,000, 7,500, 1,000, and 200, respectively.

For the next few months, employee organizations will be able to appeal the hearing officer's recommendation to the full PERB board, after which the Board will make a final determination of units. Assuming PERB acts sometime this summer, it is probable that an election will be held within each of the units (assuming PERB approves more than one) by next October. After that, time may have to be set aside for runoff elections if no candidate receives a majority vote and then the bargaining process will begin if an agent is selected. If "no representation" is the final choice, faculty unions will be able to seek another election within a year of the vote.

At present, most opinion seems to be that the State University system will vote for a bargaining agent, probably either the Congress of Faculty Associations (CFA) or the United Professors of California (UPC). CFA (affiliated with the National Education Association) supports the determination of the hearing officer while UPC (affiliated with the AFL/CIO) opposes it. If either one of these groups wins the election, it is probable that the other will rapidly fade from the scene.

If collective bargaining becomes a reality, it will be a unique experience for California government. Unlike public employee bargaining at the local level where employees bargain directly with the boards which have the power to comply with the terms of a contract, bargaining within the University and the State University is quite different. The employee agent will enter into negotiations with representatives from the Board of Regents and Trustees and it may be presumed that a memorandum of understanding will be developed. This memorandum must then be approved by the Governor and the Legislature to the extent that it involves appropriations and there is no doubt that appropriations will be involved. What seems to be the biggest unanswered question relates to the eventuality of non-approval by State level officials. If that should occur, if the Governor and the Legislature approve a lower salary amount than that dictated by the negotiation process, collective bargaining would appear to be seriously compromised. Naturally, those features of the memorandum that do not involve money would continue but there seems to be little doubt that the big issues will be the financial ones. The first test will probably come about during the 1982 legislative session.

Medical Faculty Salaries

This is the third year that the University of California has forwarded information on medical faculty salaries to the Commission. The first year this was done, the University selected eight comparison institutions, five of which were also on the comparison list for regular faculty, and also explained the procedures used to compensate medical faculty. These procedures are complex and are presented in Appendix K. The institutions selected are as follows:

Stanford University

State University of New York--
Upstate Medical School

University of Chicago

University of Illinois

University of Michigan

University of Texas, Austin

University of Wisconsin

Yale University

This year, only seven of these institutions reported. In a letter dated January 19, 1981, Vice President Kleingartner reported that, "The State University of New York has declined to participate in this year's survey for reasons that are unknown to us." It will be remembered that the SUNY campuses also failed to report data for State University comparison purposes.

Table 33 shows the University of California's relative position in the three areas of medicine, pediatrics, and surgery on a rank-by-rank basis for the past three years.

TABLE 33

RANKING OF UNIVERSITY OF CALIFORNIA MEDICAL FACULTY SALARIES IN RELATION TO COMPARISON INSTITUTIONS
1978-79 TO 1980-81

Discipline and Rank	1978-79	1979-80	1980-81
Medicine			
Professor	5th	2nd	3rd
Associate Professor	4th	2nd	4th
Assistant Professor	6th	2nd	2nd
Pediatrics			
Professor	3rd	3rd	1st
Associate Professor	4th	3rd	2nd
Assistant Professor	3rd	2nd	4th

Surgery

Professor	7th	2nd	3rd
Associate Professor	7th	4th	3rd
Assistant Professor	7th	5th	5th

In the past year, the University gained ground in three categories, lost ground in four categories, and maintained the same relative position in the other two. The year before, the University gained ground in eight of the nine categories and remained in the same position relative to the ninth. What this seems to suggest is that the University has consolidated its position in the past year. The actual salaries paid are shown in Table 34 and in Charts 19, 20, and 21.

TABLE 34

UNIVERSITY OF CALIFORNIA AVERAGE MEDICAL FACULTY SALARIES COMPARED TO AVERAGE MEDICAL FACULTY SALARIES AT THE COMPARISON INSTITUTIONS
1978-79 TO 1980-81

Discipline/Rank/ Institution	1978-79	1979-80	1980-81	Two-Year Gain
Medicine				
Professor				
UC	$59,000	$68,028	$76,067	28.9%
Comp. Inst.	60,625	66,599	73,543	21.3
Associate Professor				
UC	$49,000	$56,557	$60,979	24.5%
Comp. Inst.	48,750	53,444	56,865	16.7
Assistant Professor				
UC	$40,000	$46,228	$51,550	28.9%
Comp. Inst.	40,875	43,966	47,408	16.0

Pediatrics				
Professor				
UC	$59,000	$68,028	$73,311	24.3%
Comp. Inst.	57,375	61,905	65,203	13.6
Associate Professor				
UC	$47,000	$54,401	$58,550	24.6%
Comp. Inst.	47,125	49,724	52.657	11.7
Assistant Professor				
UC	$39,000	$45,005	$44,719	14.7%
Comp. Inst.	36,250	40,044	42,782	18.0
Surgery				
Professor				
UC	$75,000	$98,152	$109,773	46.4%
Comp. Inst.	80,000	88,703	101,729	27.2
Associate Professor				
UC	$57,000	$70,509	$80,216	40.7%
Comp. Inst.	63,625	71,094	81,283	27.8
Assistant Professor				
UC	$48,000	$63,054	$69,886	45.6%
Comp. Inst.	54,125	61,340	63,128	16.6

It is quite clear that both the actual salaries and the two-year gains in those salaries are very substantial when compared to those of "regular" faculty. It should be remembered, however, that overall compensation is based only partially on the professorial salary schedule, which is the same as for general campus faculty. The remainder comes from fees charged to patients at the University's hospitals, a portion of which goes to the physician, with the rest being retained by the University for overhead. As the physician earns more money from patient fees, he receives a lower percentage of those fees until the University's overhead charges become essentially confiscatory at approximately three times base salary. It is primarily because of the fee income that the salaries show such increases.

CHART 19

MEDICAL FACULTY SALARIES AT THE UNIVERSITY OF CALIFORNIA AND
SEVEN COMPARISON INSTITUTIONS -- 1980-81
DEPARTMENT OF MEDICINE

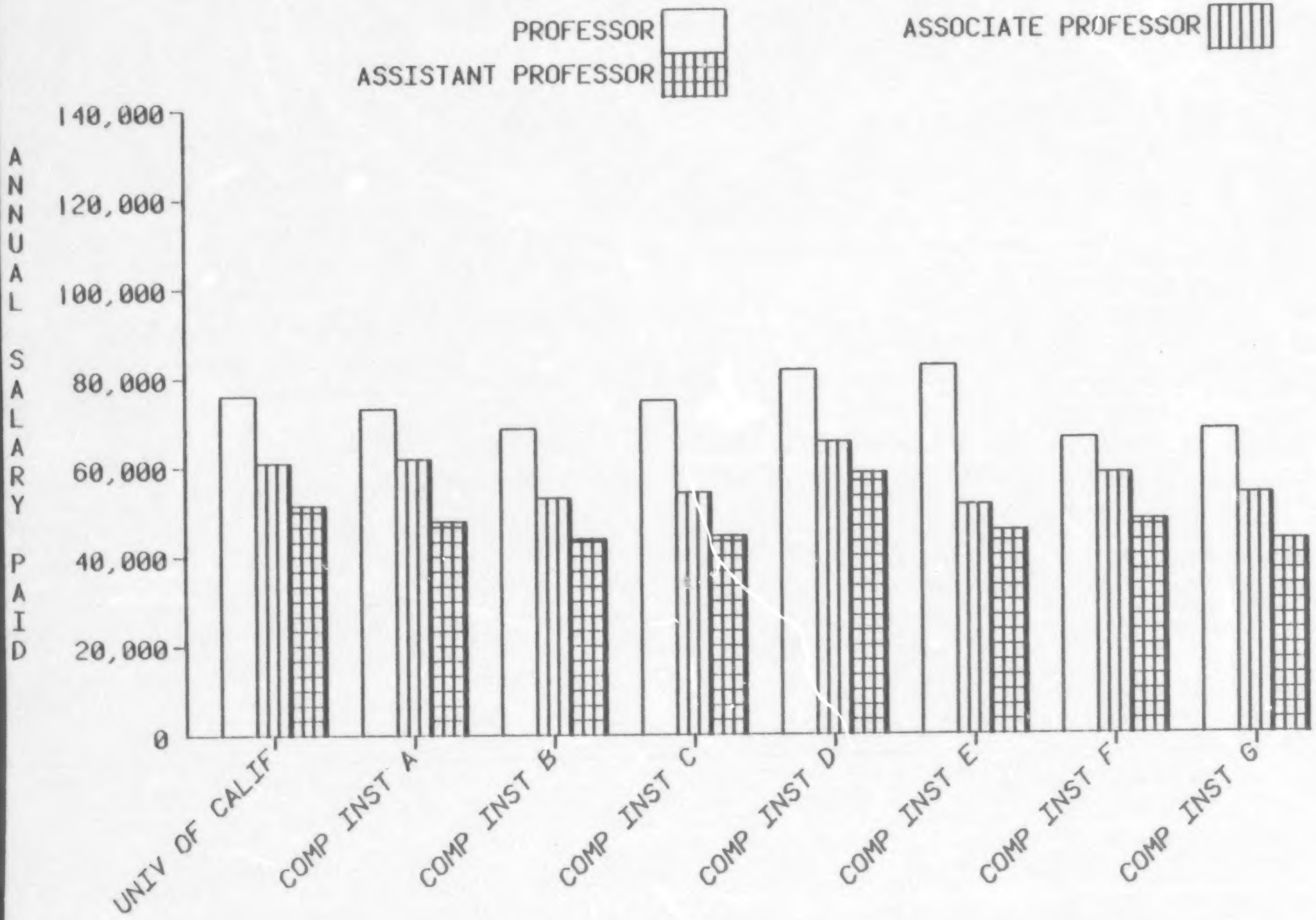


CHART 20

MEDICAL FACULTY SALARIES AT THE UNIVERSITY OF CALIFORNIA AND SEVEN COMPARISON INSTITUTIONS -- 1980-81
DEPARTMENT OF PEDIATRICS

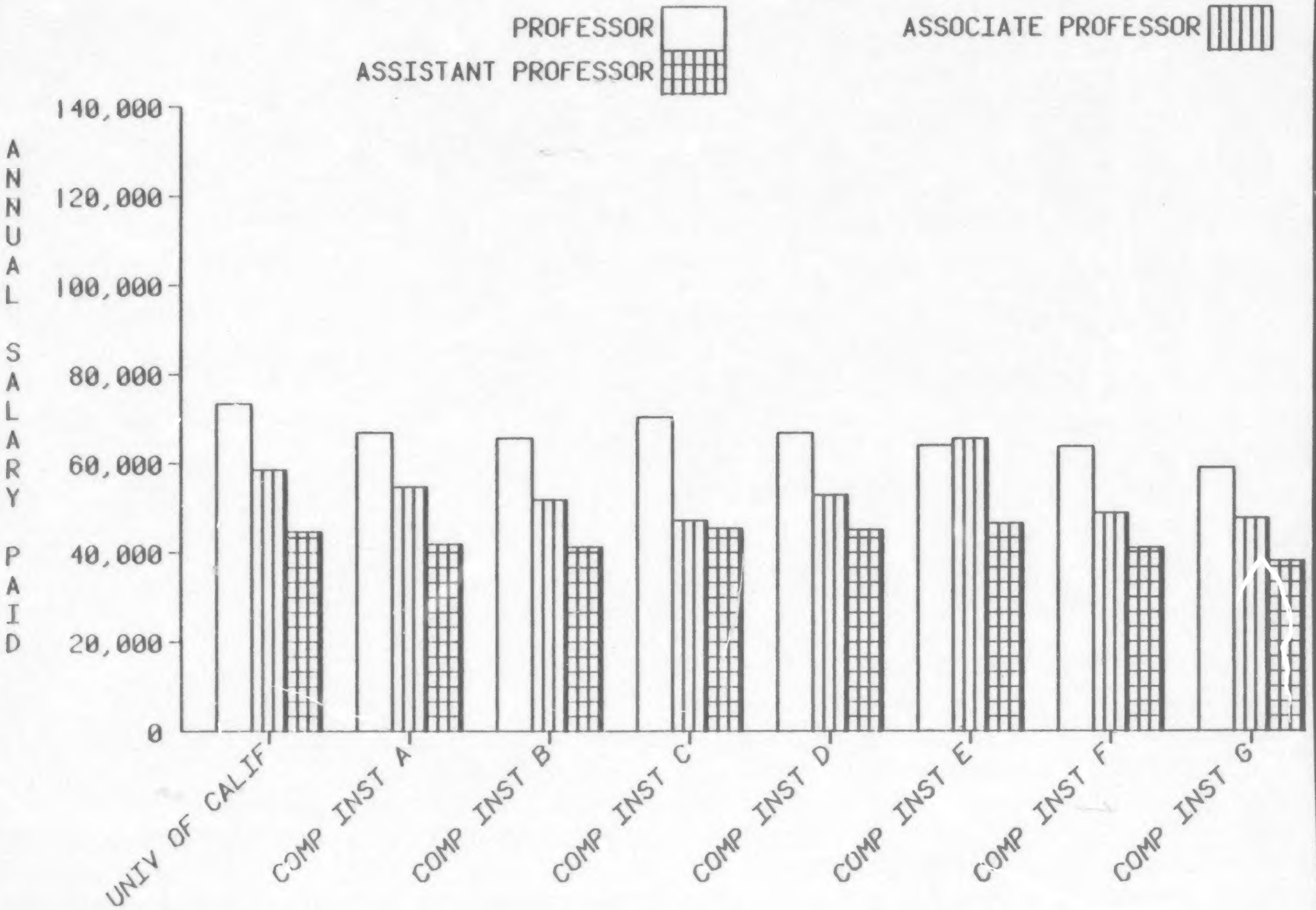
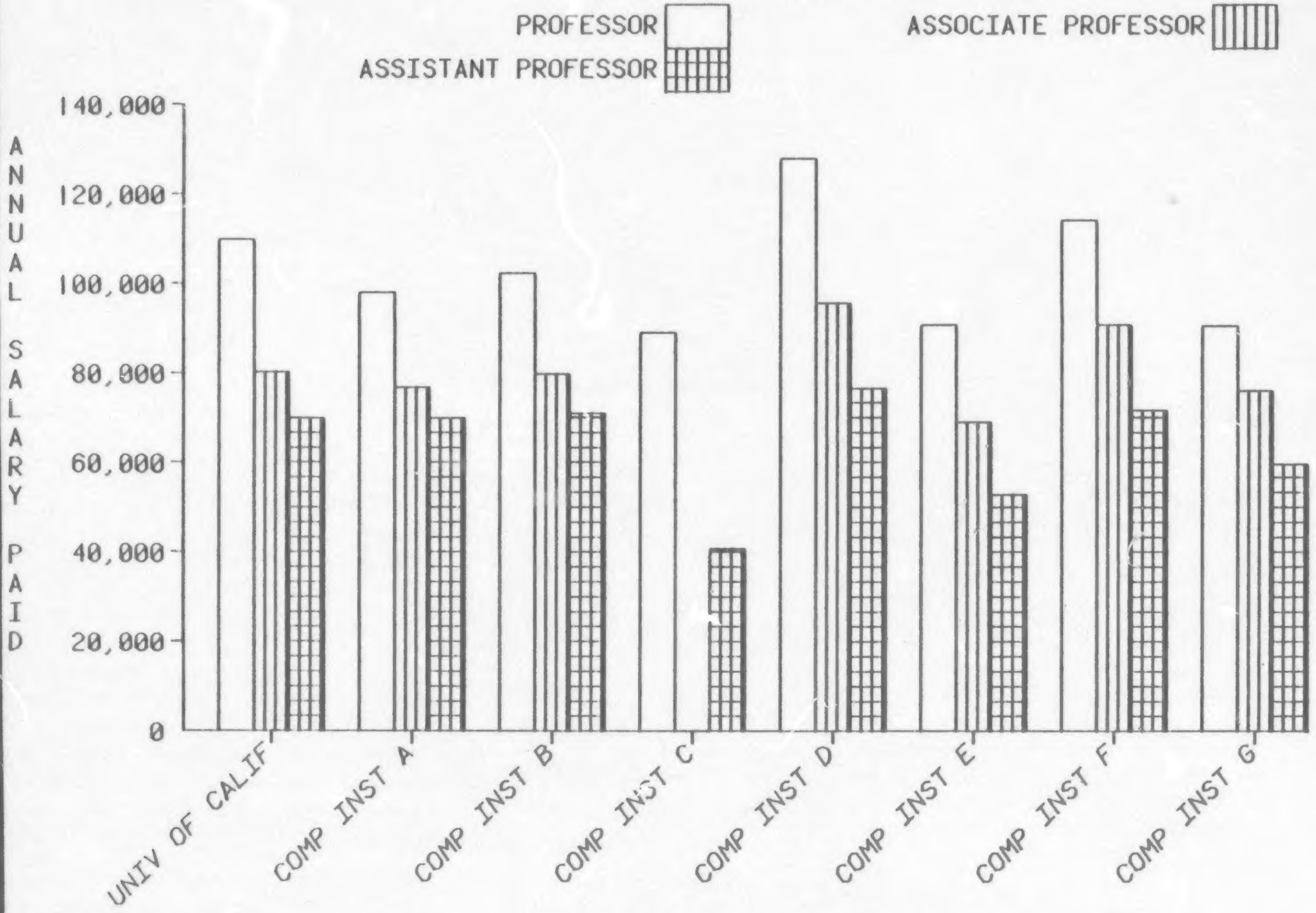


CHART 21

MEDICAL FACULTY SALARIES AT THE UNIVERSITY OF CALIFORNIA AND
SEVEN COMPARISON INSTITUTIONS -- 1980-81
DEPARTMENT OF SURGERY



CHAPTER X

FINDINGS AND CONCLUSIONS

When all of the factors relating to faculty salaries in 1981-82 are examined, it is difficult to find even one factor or set of factors that point conclusively to a single conclusion. If the data from the comparison institutions are examined, one could conclude that faculty are entitled to a modest increase in the case of the University of California and to almost no increase in the case of the California State University and Colleges. This conclusion could be reinforced by the fact that faculty have not lost ground to inflation over the past twenty years and the additional fact that many have opportunities for outside income that do not accrue to professionals who work a full eleven or twelve month year. Finally, it may well be argued that the State's only obligation is to maintain parity within the academic community, a condition that would seem to permit both the University and the State University to continue to recruit and retain qualified teachers and researchers.

In spite of these arguments, however, other evidence points to a completely opposite conclusion. For example, it is clear that faculty have lost ground to inflation over the past ten years and that the range adjustments they have received over the past twenty years have been less than those granted to California State employees and to most other professional groups. In addition, there is the fact that the business, industrial, and governmental sectors are competing successfully for the ablest graduates. Although as this report states, it is extremely difficult to develop data on people who do not accept positions in academe, there is a growing body of testimony which indicates that many institutions are unable to meet corporate or governmental competition, particularly in scientific and technological fields. Thus, each argument that faculty salaries should or should not be increased, appears to be balanced by another that points to the opposite conclusion.

In this report on faculty salaries, the Commission has attempted to examine the salary question from as many different perspectives as possible and to reach some tentative conclusions from the data. These conclusions are listed below:

University of California and California State University and Colleges

1. University of California and California State University and Colleges faculty have a salary advantage over the combined average salary paid by their comparison institutions in the current year (1980-81).

2. The data presented in this report show that University of California and California State University and Colleges faculty will need increases of 5.75 and 0.50 percent, respectively, to equal the projected salaries at their comparison institutions for 1981-82. These projections are based on the average annual increase granted to comparison institution faculty in the years 1975-76 through 1980-81. However, given the rapid increases in inflation over the past few years, it seems probable that the actual increases granted to comparison institution faculty in the budget year will be greater than the averages for the previous five years.

3. In most cases, employees in other professions have received greater salary increases than faculty at either the University or the State University over the past ten years, although State University faculty have fared slightly better than University faculty. In the decade of the 1960s, faculty generally kept pace with other professional groups but their position has eroded throughout the 1970s.

4. While California faculty salaries have fallen behind those of California civil service employees over the past ten years (losing an average of one percent per year between 1970-71 and 1980-81), they have kept pace with those of State employees over the past three years and with the salaries paid by their comparison institutions over the past two decades.

5. While recent national studies show that most faculty receive some supplemental income (The definition of supplemental income includes such activities as summer school and extension teaching, research and consulting contracts, royalties from publications and inventions, and other items.), this fact is not reflected in any of the data supplied by either the American Association of University Professors or other representatives of faculty organizations. This tends to understate the total compensation faculty receive. However, while there are recent and comprehensive national data on this subject, there is little detailed information for California. The national data lead to the conclusion that opportunities for outside income are not evenly distributed across or within disciplines but concentrated in such areas as business, some of the physical sciences, computer science, and engineering and in certain specialties within those disciplines.

6. Although there is virtually no empirical evidence to prove that colleges and universities are losing capable young

graduates to business, industry, and government, there is mounting and increasingly credible testimony which suggests that academic departments in such disciplines as business, computer science, engineering, and some of the physical sciences, are not recruiting as successfully as in prior years. The available information points to salary and benefit deficiencies as the principal cause of recruitment failures.

7. An examination of the Consumer Price Index (CPI) and of several alternative indices leads to the conclusion that the CPI has probably overstated the actual rate of inflation over the past several years and may, due to the indexing of salaries and government benefit programs to the CPI, actually have contributed to inflation. The principal reason for this overstatement is the heavy weighting of the CPI to home purchase and financing costs rather than to a rental equivalency formula which is used by the Department of Commerce to develop the index for Personal Consumption Expenditures (PCE).

8. A factor that is not considered in any of the price indices is the effect of taxes on disposable income. With the escalation of federal income tax brackets due to inflation and with the increase in Social Security taxes that will take effect in January of 1981, it is certain that any percentage increase in gross income will be greater than the percentage increase in disposable income.

9. The California State University and Colleges Trustees stated that faculty in that segment have lost 26.8 percent of their purchasing power since 1968-69. Although their basic argument that losses have been experienced is true, the 26.8 percent figure can be derived only by using the CPI as an index of inflation, and the year 1968-69 as a base. If the PCE index is used, or if a different year is chosen as the base, the losses are significant but not nearly as great.

10. Having weighed all of the factors discussed in this report, the Commission concludes that, for 1981-82, faculty salary range adjustments geared solely to comparison institution data, or any other single factor, are insufficient. At a time of rapidly changing economic conditions, intense competition from all sectors of the society for highly qualified professionals, and high inflation, it is imperative that faculty salaries be set at a level that will ensure, as much as possible, the maintenance of a competitive salary structure. Since the comparison methodology was developed at a time of relative economic

stability and since that stability does not exist at the present time, it will be important for public officials to consider all of the factors discussed in this report.

California Community Colleges

11. The report by the Chancellor's Office of the California Community Colleges on faculty salaries for 1980-81 consitutes an inadequate response to the general request for data by the Legislature and the specific request by the Commission. (See Appendix L.) The errors and inconsistencies in the report are so numerous that the entire report must be considered to be of questionable value. The deficiencies that have been noted in this report represent only the most obvious ones and there is no way to determine if there are not other errors which would add to the doubts about the Chancellor's report that already exist. Since the Commission has made clear what data it requires for analysis and since the Legislature and the Governor have provided funds for the report's development, considerable improvement is required.

12. Although the Chancellor's Office report included data on the cost per Weekly Faculty Contact Hour for full-time faculty with overload assignments and for part-time faculty, similar data for full-time faculty without overload assignments were excised. Since these cost figures can be generated by using other data in the report, there is little point in the deletion. Accordingly, these data should be included in future efforts.

13. As has been noted in previous reports, the spread between the highest and lowest paying Community Colleges districts (28.5%) is substantial although it appears to have narrowed in the past two years. There are also many differences among districts in the qualifications for various salary levels. As an example, a faculty member in the San Diego Community College District must have a doctorate to qualify for the top range but can only earn a maximum of $28,520 at the top step of that range. In the Saddleback District, a faculty member need only have an MA degree plus 60 additional units to qualify for the top range which has a highest step of $45,884. If the doctorate is held, there is an additional bonus of $300.

14. Currently, full-time faculty members in the Community Colleges earn about two-and-one-half times as much as part-time faculty members for each Weekly Faculty Contact Hour taught. Also, during 1980-81, 88.4 percent of all new hires in the

reporting districts were part-time faculty. On a headcount basis, about 63 percent of all Community College faculty are employed on a part-time basis. Although it is clear that many full-time faculty have other responsibilities that justify differential pay, as well as more seniority, it is not clear whether these added duties justify the large differential that currently exists.

FOOTNOTES

1/ See Appendix A.

2/ See Appendix D for the lists of comparison institutions used for the University of California and the California State University and Colleges.

3/ *A Master Plan for Higher Education in California, 1960-1975*, California State Department of Education, Sacramento, California, 1960, p. 12.

4/ This request came in the form of House Resolution No. 250 (Unruh) during the 1964 First Extraordinary Session of the Legislature (See Appendix B).

5/ Prior to 1973-74, only one report on salaries was issued for each budget cycle.

6/ The methodology for the faculty salary reports is shown in Appendix C. Comparison institutions are shown in Appendix D.

7/ This has been updated to 5.75 percent (see page 12).

8/ See the discussion on page 24.

9/ *Faculty Salaries in California Public Higher Education, 1980-81*, California Postsecondary Education Commission, April 1980, p. 12.

10/ *Agenda Item No. 513, Regents of the University of California*, University of California, Office of the President, November 12, 1980, p. 2.

11/ *Academe*, "Regressing Into the Eighties: Annual Report on the Economic Status of the Profession," W. Lee Hansen, American Association of University Professors, p. 260.

12/ The remaining components of the 45 percent for housing include "Maintenance and repair," (3.6%) "Fuel and other utilities," (6.5%) and "Household furnishings and operation," (7.6%). Source: *CPI Detailed Report*, U.S. Department of Labor, Bureau of Labor Statistics, July 1980, p. 9.

13/ *Handbook of Labor Statistics 1978*, U.S. Department of Labor, Bureau of Labor Statistics, June 1979, p. 9.

14/ *Survey of Current Business*, "Monthly Estimates of Personal Income, Taxes, and Outlays," James C. Byrnes, Gerald F. Donahoe, Mary W. Hook, and Robert P. Parker, U.S. Department of Commerce, Bureau of Economic Analysis, November 1979, p. 23.

15/ *CPI Detailed Report*, p. 80.

16/ *Handbook*, p. 9.

17/ *Current Issues in Higher Education*, *Differing Perspectives on Declining Faculty Salaries*, "How Well are Faculty Paid? Implications of the Academic Reward Structure," Kristine Dillon and Robert Linnell, American Association for Higher Education, Washington, D.C., 1980, p. 3.

18/ Standard Metropolitan Statistical Area.

19/ It should be noted that the Bureau lists from four to eight classifications (e.g., Accountant II, Attorney VI, Engineer VIII, etc.) in its report. To arrive at a single figure for each professional group, therefore, the middle classifications have been used or, where the number of classifications is an even number, the two middle classifications have been averaged.

20/ For 1980-81, the CPI is estimated at 11.0 percent. The PCE is estimated at 10.0 percent since it has averaged about one percent less than the CPI for the past two years. The salary increase for federal civil service employees has not yet been approved by Congress but is estimated at 8.0 percent.

21/ *Current Issues in Higher Education*, "The Economic Decline of the Professoriate in the 80s: What Happened to Faculty Salaries and What are the Implications?" Peggy Heim, American Association for Higher Education, September 1980.

22/ *Current Issues*, Dillon and Linnell.

23/ *Survey of the Social, Political, and Educational Perspectives of American College and University Faculty*, Everett Carll Ladd and Seymour Martin Lipset, University of Connecticut, 1976.

24/ *Faculty Compensation: Total University Earnings at Research Universities*, Kristine E. Dillon, Robert H. Linnell, H.W. March (preliminary draft). University of Southern California, Office of Institutional Studies, 1979.

25/ *Chronicle of Higher Education*, "Extra Work Found to Add 21 Percent to Base Salaries of Most Professors," Jack Magarrell--based on a research study performed by John Minter Associates for the *Chronicle*, November 17, 1980, p. 1.

26/ Faculty Compensation.

27/ The Times Higher Education Supplement, "Faculty Shortages Reach Crisis Point," Clive Cookson, The New York Times, August 8, 1980, p. 4.

28/ Ibid.

APPENDICES

FACULTY SALARIES AND THE COST OF FRINGE BENEFITS

A - Senate Concurrent Resolution No. 51, 1965 General Session

B - House Resolution No. 250, 1964 First Extraordinary Session

C - Methodology Employed by the California Postsecondary Education Commission for Preparation of the Annual Reports on University of California and California State University and Colleges Faculty Salaries and Cost of Fringe Benefits

D - University of California and California State University and Colleges Comparison Institutions, 1966-67 to 1981-82

E - University of California Salaries and Cost of Fringe Benefits, 1981-82

F - California State University and Colleges Salaries and Cost of Fringe Benefits, 1981-82

G - University of California Supplementary Information

H - California State University and Colleges Supplemental Information

I - Categories of Measurement for the Consumer Price Index

J - Effect of Federal Taxes on Disposable Income

K - Medical Faculty Salaries--University of California

L - Letter From Associate Director O'Brien to Chancellor Hayward

M - Information From the Chancellor's Office Report on Community College Faculty Salaries

APPENDIX A

Senate Concurrent Resolution No. 51, 1965 General Session

Senate Concurrent Resolution No. 51, 1965 General Session-- Relative to academic salaries and welfare benefits.

WHEREAS, The Joint Legislative Budget Committee pursuant to House Resolution No. 250, 1964 First Extraordinary Session, has had prepared and has adopted a report of the Legislative Analyst containing findings and recommendations as to salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education; and

WHEREAS, The study of the Joint Legislative Budget Committee found that the reporting of salaries and fringe benefits as it has been made previously to the Legislature has been fragmentary and has lacked necessary consistency, with the result that the Legislature's consideration of the salary requests of the institutions of higher learning has been made unnecessarily difficult; and

WHEREAS, The report recommends that the Legislature and the Governor should receive each December 1 a report from the Coordinating Council for Higher Education, plus such supplementary information as the University of California and the California State Colleges desire to furnish independently, containing comprehensive and consistently reported information as outlined specifically in the report adopted by the Joint Legislative Budget Committee; and

WHEREAS, The reporting recommended by the committee would include essential data on the size and composition of the faculty, the establishment of comprehensive bases for comparing and evaluating faculty salaries, the nature and cost of existing and desired fringe benefits, the nature and extent of total compensation to the faculty, special privileges and benefits, and a description and measurement of supplementary income, all of which affect the welfare of the faculties and involve cost implications to the state now, therefore, be it

Resolved by the Senate of the State of California, the Assembly thereof concurring, That the Coordinating Council for Higher Education in cooperation with the University of California and the California State Colleges shall submit annually to the Governor and the Legislature not later than December 1 a faculty salary and welfare benefits report containing the basic information recommended in the report of the Joint Legislative Budget Committee as filed with the President of the Senate and the Speaker of the Assembly, under date of March 22, 1965.

APPENDIX B

House Resolution No. 250, 1964 First Extraordinary Session

House Resolution No. 250

Relative to the economic welfare of the faculties of the California Public Institutions of Higher Education

WHEREAS, The Master Plan for Public Higher Education strongly recommended that every effort be made to ensure that the institutions of higher education in California maintain or improve their position in the intense competition for the highest quality of faculty members; and

WHEREAS, The Coordinating Council for Higher Education in its annual report to the Governor and the Legislature regarding level of support for the California State Colleges and the University of California recommended that funds should be provided to permit at least an additional 5 percent increase in academic salaries for the California State Colleges and the University of California; and

WHEREAS, The Trustees of the California State Colleges in their annual report to the Legislature declared that the California State Colleges are falling far behind in the face of this competition and that by 1964-65 faculty salaries will be lagging 14 to 18 percent behind those of comparable institutions; and

WHEREAS, Greatly increasing enrollments in institutions of higher education in California during the next decade will cause a demand for qualified faculty members which cannot possibly be met unless such institutions have a recruitment climate which will compare favorably with other colleges, universities, business institutions, industry, and other levels of government; and

WHEREAS, California has achieved an enviable momentum in business and industrial development, a momentum now threatened by lagging faculty salaries so that failure to maintain adequate salary scales for faculty members in California institutions of higher education would be false economy; and

WHEREAS, There have been widespread reports from the State College and University campuses that higher salaries elsewhere are attracting some of the best faculty members from the California institutions of higher education, and if such academic emigration gains momentum because of inadequate salaries, the effect will disrupt the educational processes and result in slower economic growth, followed by lower tax revenues; and

WHEREAS, The Legislature has a continuing interest in the difficult and pressing problems faced by the California institutions of higher education in attracting and maintaining outstanding faculty members in a period of stiff competition and rapid growth; and

WHEREAS, The State's investment in superior teaching talent has been reflected in California's phenomenal economic growth and has shown California taxpayers to be the wisest of public investors, but unless the superiority in faculty quality is maintained, the contributions by the California institutions of higher education to the continued economic and cultural development of California may be seriously threatened; now, therefore, be it

RESOLVED BY THE ASSEMBLY OF THE STATE OF CALIFORNIA, That the Assembly Committee on Rules is directed to request the Joint Legislative Budget Committee to study the subject of salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education, and ways and means of improving such salaries and benefits in order that such California institutions of higher education may be able to compete for the talent necessary to provide the highest quality of education, and to request such committee to report its findings and recommendations to the Legislature not later than the fifth legislative day of the 1965 Regular Session.

A RECOMMENDED METHOD FOR REPORTING TO THE LEGISLATURE ON FACULTY SALARIES AND OTHER BENEFITS AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE COLLEGES

(Pursuant to HR 250, 1964 First Extraordinary Session)

Prepared by the
Office of the Legislative Analyst
State of California

January 4, 1965

B-3

CONTENTS

Page

Introduction ---------- 39

Background ---------- 39

Who Should Prepare Faculty Salary Reports ---------- 40

What Faculty Salary Reports Should Contain: ---------- 40

- A. Faculty Data ---------- 40
- B. Salary Data ---------- 41
- C. Fringe Benefits ---------- 42
- D. Total Compensation ---------- 42
- E. Special Privileges and Benefits ---------- 43
- F. Supplementary Income ---------- 43

INTRODUCTION

The purpose of this staff report is to recommend a method for reporting to the Legislature on salaries, fringe benefits and other special economic benefits for faculties of the University of California and the California State Colleges. This report has been prepared by the Joint Legislative Budget Committee in response to House Resolution 250 (1964 First Extraordinary Session, Appendix 1)[1] which resolved:

> "That the Assembly Committee on Rules is directed to request the Joint Legislative Budget Committee to study the subject of salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education, and ways and means of improving such salaries and benefits in order that such California institutions of higher education may be able to compete for the talent necessary to provide the highest quality of education, and to request such committee to report its findings and recommendations to the Legislature not later than the fifth legislative day of the 1965 Regular Session."

Staff of the Joint Legislative Budget Committee initiated its study by seeking information which would reflect the magnitude of California's long-range and immediate problems regarding the need to recruit and retain an adequate number of high quality faculty. While reviewing past reports presented to the Legislature as justification for salary increase recommendations by the Coordinating Council for Higher Education, the University of California and the California State Colleges, it became apparent that the first step in trying to improve faculty salaries and other benefits is to furnish the Legislature with comprehensive and consistent data which identify the nature and level of competitive benefits. The costs associated with recommendations, rated according to priority, should be included in proposals by the segments in order to aid the Legislature in determining how much to appropriate and the benefits which an appropriation will buy.

There has existed in the past a difference between what the institutions have recommended as the need for salary and benefit increases and what has finally been appropriated by the Legislature. There are two principal reasons for this difference which at times may be closely related: (1) The Legislature may disagree with what is proposed as to need, or (2) there may not be enough funds to meet the need because of higher priorities in other areas of the budget.

These needs are very complex and, for example, include such factors as:

1. Disagreement with conclusions drawn from data submitted in justification of recommendations;
2. Lack of confidence in the quantity, quality, or type of data;
3. The failure of advocates to make points which are concise and clearly understandable;
4. The submission of conflicting data by legislative staff or the Department of Finance.

After careful consideration, it was determined that a special report should be made to the Budget Committee containing recommendations as to the kind of data the Legislature should be furnished for the purpose of considering salary and other benefit increases.

On August 5, 1964 a letter (Appendix 2) was sent from the Legislative Analyst to the Coordinating Council for Higher Education, the University of California, the California State Colleges, the Department of Finance and various faculty organizations informing them that the Joint Legislative Budget Committee was planning to hold a public hearing in connection with HR 250 and asking for replies to a series of questions designed to gather background information about salary and fringe benefits data (Appendix 3, Copies of Replies Received). The primary purpose of the hearing was to provide the University of California, the California State Colleges and interested groups the opportunity to indicate the basis on which salary and fringe benefits should be reported to the Legislature, including the kind of data to be compiled and who should compile and publish it (Appendix 4, Copies of Prepared Testimony Filed with the Joint Legislative Budget Committee at the October 15, 1964 Hearing). The contents of most of the prepared statements discussed problems and in some instances recommendations relating to faculty salaries and other benefits rather than the primary purpose of the hearing, but the testimony did serve to identify areas of concern. The hearing also established legislative interest in the subjects of faculty workload and sources of supplementary income.

The review of past faculty salary reports, the replies to the Legislative Analyst's letter of August 5, 1964, the oral and prepared statements received at the October 15, 1964 hearing of the Joint Legislative Budget Committee and other sources have revealed significant findings and permitted the development of recommendations concerning the type of information and method of presentation that should be included in future faculty salary reports prepared for the Legislature.

BACKGROUND

Current procedures for review of faculty salary and other benefit increase proposals, starting with the presentation of recommendations by state colleges and University of California administrative officials to their respective governing boards, appear generally to be adequate, with minor reservations. The State College Trustees and the Regents of the University of California generally formulate their own proposals in December and forward them to the State Department of Finance for budget consideration. Concurrently the Coordinating Council for Higher Education also makes a report with recommendations which is made available to the State Department of Finance. The Governor and the Department of Finance consider these salary increase proposals in relation to the availability of funds and their own analysis of faculty salary needs and decide how much of an increase, if any, to include in the Governor's Budget. The Legislative Analyst in the *Analysis of the Budget Bill* provides analysis and recommendations as to the Governor's budget proposal.

---

[1] Appendices deleted.

When appropriate legislative committees hear the budget request for faculty salary increases they may be confronted with several recommendations from various sources. Their first responsibility is to consider the Governor's recommendations in the Budget Bill. However, the University and the California State Colleges generally request the opportunity to present their own recommendations, which frequently differ from the Governor's proposal. Also, the Coordinating Council for Higher Education presents its recommendations. Various faculty organizations may desire to make independent proposals. The Legislature has been cooperative in providing all interested parties the opportunity to present their views, but these presentations have been marked by extreme variations in recommendations and in the data which support the requests.

WHO SHOULD PREPARE FACULTY SALARY REPORTS

There appears to be some difference of opinion concerning the purpose of faculty salary reports and recommendations prepared by the Coordinating Council for Higher Education. The University of California and the California State Colleges contend that they should make direct recommendations to the Governor and the Legislature and that Coordinating Council recommendations should be regarded as independent comments. Conversely, the Department of Finance and the Coordinating Council for Higher Education believe that salary reports and recommendations of the Coordinating Council should be the primary report submitted to the Department of Finance and the Governor to consider in preparing budget recommendations. The Department of Finance states that such a report should be regarded as similar in status to the annual salary report relating to civil service salaries prepared by the State Personnel Board for the Governor and the Legislature. It is our opinion that the Legislature should give specific and primary consideration to the recommendations in the Governor's Budget and to the annual faculty salary report of the Coordinating Council for Higher Education. However, any separate recommendations of the University of California and the California State Colleges should also be considered.

WHAT FACULTY SALARY REPORTS SHOULD CONTAIN

We do not believe that reporting required of the University, the California State Colleges, and the Coordinating Council for Higher Education should limit the right of these agencies to emphasize specific points in supporting their own recommendations. However, the Legislature should take steps to establish a consistent basis upon which it will receive comprehensive information about faculty salaries, other benefits, and related subjects from year to year. After careful consideration of the statistical and other grounds presented in support of salary and other benefit increase proposals in the past, we recommend that basic data be included in faculty salary reports to the Legislature in a consistent form in the following areas:

A. Faculty Data
B. Salary Data
C. Fringe Benefits
D. Total Compensation
E. Special Privileges and Benefits
F. Supplementary Income

Since it is necessary for staff of the executive and legislative branches of government to analyze recommendations prior to the commencement of a legislative session, all reports and recommendations should be completed by December 1 of each year.

A. Faculty Data

1. Findings
   a. Informative data about the size, composition, retention, and recruitment of California State College faculty has been presented to the Legislature from time to time, but usually it has been so selective that it lacks objectivity and has been inconsistent from year to year.
   b. Superior faculty performance has not been demonstrated as a reason to justify past requests for superior salaries.
2. Recommendations

   The following data should be compiled and presented annually on a consistent basis. Definitions of what constitutes faculty are left to the discretion of the University and the state colleges but should be clearly defined in any report. Additional data may be included in any given year to emphasize special problems, but such data should supplement not replace the basic information recommended below. Graphs should be used when practical, accompanied by supporting tables in an appendix. Recommended faculty data includes:

a. The number of faculty, by rank and the increase over the previous five years to reflect institutional growth.

b. Current faculty composition expressed in meaningful terms, including but not limited to the percentage of the faculty who have PhD's.

c. Student-faculty ratios as a means of expressing performance.

d. Data relating to all new full-time faculty for the current academic year including the number hired, source of employment, their rank and highest degree held. Existing vacancies should also be noted. Pertinent historical trends in these data should be analyzed. We do not believe that subjective and incomplete data estimating reasons for turning down offers, such as has been presented in the past, serves any useful purpose.

e. Faculty turnover rates comparing the number of separations to total faculty according to the following suggested categories; death or retirement, to research or graduate work, intra-institutional transfers, other college or University teaching, business and government, other.

3. Comments

The first three recommendations above are designed to reflect faculty size, composition, rate of growth, and workload. The inclusion of consistent data from year to year will facilitate trend analysis as it relates to the institutions involved and, when possible, to comparable institutions. The purpose of including data on new faculty and faculty turnover is to provide a quantitative base for discussions of problems relating to faculty recruitment and retention. It may also be beneficial to include some basic statistics about the available supply of faculty to see what proportion of the market, new PhD's for example, California institutions hire every year.

B. Salary Data

1. Findings

a. The University for several years has exchanged salary data to provide a consistent comparison with a special group of five "eminent" universities, as well as with a group of nine public universities. Conversely, the California State Colleges have not yet established a list of comparable institutions which is acceptable to them.

b. Both the University of California and the Coordinating Council for Higher Education maintain that salary comparisons to appropriate institutions is the best single method of determining salary needs.

c. The University of California places less significance on salary comparisons with nonacademic employment than the Coordinating Council on Higher Education and the California State Colleges.

d. Salary increases have been proposed on the basis of differentials between total compensation (salaries plus fringe benefits) in comparable institutions.

e. Both the University and the California State Colleges have tended to relate the size of proposed salary increases to how much of an increase would be necessary to return to a specific competitive position which existed in 1957-58 and which was unusually advantageous.

f. Salary comparisons have frequently been made to various levels of teaching including elementary, high school, and junior college salaries.

g. Methods of salary comparisons with other institutions have varied from year to year in reports prepared by the state colleges.

2. Recommendations

a. We recommend that proposed faculty salary increases distinguish between: (1) increases necessary to maintain the current competitive position and (2) increases to improve the current competitive position.

(1) Proposed increases to maintain the existing competitive position should be equivalent to a projection of the average salary relationship between the University, or state colleges, and comparable institutions during the current fiscal year to the next fiscal year. We recommend that this projection be based on a projection of actual salary increases by rank in comparable institutions during the past five years, permitting statistical adjustments for unusual circumstances. Thus the proposed increase to maintain the existing competitive position would, in effect, be equal to the average of annual salary increases in comparable institutions during the past five years. A record of the accuracy of projections should be maintained in an appendix.

(2) Recommendations to improve the current competitive positions should be related to the additional advantages to be derived.

b. It is also recommended that the California State College Trustees select a list of comparable institutions within the next year and that agreements be negotiated to exchange salary data in a form which will facilitate comparisons. A list of the criteria used to select comparable institutions, plus characteristics of the institutions selected, should be included in next year's report.

c. Specific proposals for salary increases should be accompanied by comparisons of current salary amounts and historic trends to comparable institutions. The following general principles are considered to be important:

   (1) Salary data should be separated from fringe benefit and special benefit data for purposes of reporting salary comparisons.

   (2) A consistent form should be used from year to year to present salary data. A suggested form might be to illustrate a five-year historic trend in average salaries by using a line graph for each rank. An alternative might be a table which simply shows where California ranked among comparable institutions during the past five years.

   The current salary position might best be illustrated by showing a list of average salaries of the California institutions and the other comparable institutions from the highest to the lowest average, by rank, for the last actual and current years. This will show the relative position of the California institution for the last actual and current years, as well as the range of averages. Frequency distributions of faculty by rank or professor should be incorporated in an appendix and any significant limitations in the use of averages between those particular institutions in a given year should be noted. For example, an unusual proportion of faculty in the high ranks or the low ranks would affect the comparability of the arithmetic means.

   (3) Special data to illustrate a particular problem in any given year would be appropriate as long as it supplements, rather than replaces, basic salary data.

d. Finally, it is recommended that salary data be reported in a form by rank which compensates for differences in faculty distributions.

C. Fringe Benefits

1. Findings

   a. The definition of fringe benefits generally includes benefits available to all faculty that have a dollar cost to the employer. Benefits and services in kind are considered to be fringe benefits only if a cash payment option is available. Retirement and health insurance, by definition, are the only two programs considered as fringe benefits by the University of California and the California State Colleges.

   b. Comparisons of fringe benefits, when comparisons have been made at all, have generally been limited to the dollar contribution by the employer and have not included any analysis of the quality of the benefits to the employee.

2. Recommendations

   a. It is recommended that fringe benefit comparisons of type of benefit be included in faculty salary reports, but compared separately from salaries. Such comparisons should include an analysis of the quality of the benefits as well as the dollar cost to the employer.

   b. Proposals to increase specific fringe benefits should be made separately from salaries, including separate cost estimates.

3. Comments

   Separate proposals for increases in salaries and fringe benefits should be made to minimize misunderstanding about competitive positions. For example, information submitted to the 1963 Legislature by the University of California, in support of a proposed salary increase for 1963–64, compared total compensation data (salaries plus fringe benefits) rather than salaries alone. This report stated in part: "In comparing salaries, fringe benefits must be taken into account. Salary comparisons between the University and other institutions based on salary *alone* look far more favorable than comparisons of salaries *plus benefits.*" The least favorable comparison was with fringe benefits, not salaries, thus the report recommended a salary increase largely on the basis of a difference in fringe benefits. Although it is felt that comparisons of total compensation are appropriate inclusions in a faculty salary report, such data should only be in addition to rather than in place of separate analyses of the current competitive position in salaries and fringe benefits.

D. Total Compensation

1. Findings

   a. Total compensation data consists of average salaries plus a dollar amount representing the employer's cost of fringe benefits.

   b. The Coordinating Council for Higher Education, the University of California and the California State Colleges have in the past all used total compensation data prepared and published by the American Association of University Professors in their respective faculty salary reports.

2. Recommendations

We recommend that total compensation data, as reported by the American Association of University Professors, be included in faculty salary reports as a supplement to separate salary and fringe benefit information.

E. Special Privileges and Benefits

1. Findings

There are other faculty privileges and economic benefits which are not classified as fringe benefits because they may not be available to all faculty or fit the definition of a fringe benefit in some other respect. Examples at the University of California include up to one-half the cost of moving expenses, vacations for 11-month appointees, the waiving of nonresident tuition for faculty children, sabbatical leaves with pay, and other special and sick leaves with or without pay.

2. Recommendations

It is recommended that a list of special privileges and benefits be defined and summaries of related policies be included in a special section in future faculty salary reports so that the Legislature will be aware of what these privileges and benefits include.

3. Comments

The expansion or establishment of some of these special privileges and benefits could improve recruiting success more than the expenditure of comparable amounts in salaries. For example, moving expenses are not currently offered by the state colleges but some allowance might make the difference of whether a young candidate from the East could accept an appointment. If this type of benefit is proposed, it must include adequate controls.

F. Supplementary Income

1. Findings

a. The multiple loyalties created by permitting faculty to supplement their salaries by earning extra income from various sources within and outside his college or University is recognized as a problem common to institutions of higher education throughout the United States.

b. There apparently are proportionately more private consulting opportunities in California than in other areas of the nation. For example, 51 percent of the federal research defense contracts were concentrated in California during 1963–64.

c. The University of California has general policies designed to insure that outside activities do not interfere with University responsibilities. If outside activities interfere with University responsibilities, the faculty member generally must take a leave of absence without pay until such outside activities are completed. These and other related University policies were praised in a 1956 Carnegie-financed study titled *University Faculty Compensation Policies and Practices.*

d. The Coordinating Council for Higher Education submitted excerpts from nationwide studies relating to the magnitude of outside activities. We have no way of determining how the data may relate to California, but if the figures are reasonable, then it appears that probably a large percentage of faculty have at least one source of extra income. Sources of income were reported are follows:

Source	*Percent of faculty earning additional income from source*
Lecturing	31%
General writing	28
Summer and extension teaching	25
Government consulting	18
Textbook writing	16
Private consulting	12
Public service and foundation consulting	9
Other professional activities	13

Source: University Faculty Compensation Policies and Practices in the U. S., Association of American Universities, University of Illinois Press, Urbana, 1956.

e. The United State Office of Education has just completed a nationwide sample survey of outside earnings of college faculty for 1961–62. Although data has not been published yet, special permission has been received to report the following results which are quoted from a letter sent to the Legislative Analyst on December 8, 1964 from the staff of the California State College Trustees:

OUTSIDE EARNINGS OF TEACHING FACULTY ON ACADEMIC YEAR CONTRACTS (9–10 MONTHS)

The U. S. Office of Education has just completed a nationwide survey of outside earnings by a sampling of all college faculty nationwide for 1961–62. The results are as follows:

	Percent	Average earnings
All with outside earnings	74	$2,200
Summer teaching	44	1,300
Other summer employment	11	1,800
Other teaching	18	900
Royalties	8	1,200
Speeches	9	200
Consultant fees	13	1,400
Retirement (individuals who have retired who teach elsewhere after retiring)	1	3,400
Research	7	1,800
Other professional earnings	10	1,300
Non-professional earnings	8	1,700

The highest average earnings by teaching field and the percentage with outside earnings are:

	Percent	Average earnings
Law (which we do not have)	78	$5,300
Engineering	83	3,200
Business and Commerce	78	2,900
Physical Sciences	80	2,900
Agriculture	71	2,800
Psychology	85	2,700

In light of the Joint Committee discussion you might be interested in the following:

	Percent	Average earnings
Social Sciences	74	$1,900
Fine Arts	74	1,600
Philosophy	74	1,500
Religion and Theology	78	1,300

2. Recommendations

a. We recommend that the Coordinating Council for Higher Education, the University of California and the California State Colleges cooperate in determining the extent to which faculty members participate in extra activities to supplement their nine-month salaries including information as to when extra activities are usually performed (such as vacations, etc.). Such activities would include, but not be limited to, lecturing, general writing, summer and extension teaching, government consulting, textbook writing, private consulting, public service and foundation consulting, and other professional activities. If such a study suggests that the magnitude of these activities is such that the performance of normal University and state college responsibilities are perhaps being adversely affected, then consideration should be given to the possibility of maintaining more complete and meaningful records. Such records would aid administrative officials and academic senates when reviewing recommendations for promotions and salary increases and provide summary data for reporting to the Legislature on these significant faculty welfare items. Next year's faculty salary report of the Coordinating Council for Higher Education should incorporate the results of this study.

b. We also recommend that existing state college policies and enforcement practices regarding extra employment be reviewed and updated.

c. Finally, it is recommended that faculty salary reports keep the Legislature informed about policies and practices relating to extra employment.

3. Comments

In our opinion, it would seem that any extra employment would affect the quality of performance of University responsibilities since faculty surveys indicate that the average faculty workweek is 54 hours. The time spent on activities for extra compensation (except during the summer) would be on top of what the faculty has defined as their average workweek. Because, in some instances, it is difficult to determine whether a given income-producing activity, such as writing a book, is considered a normal University responsibility or an extra activity, distinctions between normal and extra activities need to be more clearly defined.

Much of the outside compensation received by faculty comes in the form of grants made directly to the faculty member rather than through the University or colleges. There is no regular reporting of these grants or the personal compensation which they provide to faculty, and the colleges and University do not consider the reporting of such income to be feasible. It may be desirable to encourage the Congress to direct that greater number of grants made by United States agencies for research be made directly to academic institutions.

APPENDIX C

Methodology Employed by the California Postsecondary Education Commission for Preparation of the Annual Reports on University of California and California State University and Colleges Faculty Salaries and Cost of Fringe Benefits

California Postsecondary
Education Commission

June 13, 1977

Resolution 17-77

Concerning the Methodology Employed for the California Postsecondary Education Commission's Annual Reports on Faculty Salaries and Fringe Benefits

WHEREAS, The University of California and the California State University and Colleges have expressed reservations with the methodology used for the California Postsecondary Education Commission's recent reports on faculty salaries and fringe benefits, particularly with respect to the computations for fringe benefits, and

WHEREAS, Commission staff convened a technical advisory committee consisting of representatives of the segments, the Department of Finance, and the Office of the Legislative Analyst to advise on possible revisions of the existing methodology, and

WHEREAS, The committee met on five occasions to thoroughly review and discuss the methodology for the reports on faculty salaries and fringe benefits, not only with respect to the computations for fringe benefits, but also regarding all other aspects of the methodology, and

WHEREAS, Based on the advice of the committee, a revised methodology has been developed by Commission staff; now therefore, be it

RESOLVED, That the California Postsecondary Education Commission adopt the attached document entitled, Revised Methodology for the Preparation of the Annual Report on University of California and California State University and Colleges Faculty Salaries and Fringe Benefits, 1978-79, which by reference becomes a part of this resolution, and be it further

RESOLVED, That copies of this resolution be transmitted to the Governor, the Legislature, the Department of Finance, the Office of the Legislative Analyst, the Regents of the University of California and the Trustees of the California State University and Colleges.

California Postsecondary
Education Commission

June 13, 1977

REVISED METHODOLOGY FOR THE PREPARATION OF THE ANNUAL REPORT ON UNIVERSITY OF CALIFORNIA AND CALIFORNIA STATE UNIVERSITY AND COLLEGES FACULTY SALARIES AND FRINGE BENEFITS, 1978-79

INTRODUCTION

The methodology to be employed for the 1978-79 report contains a number of substantive modifications from that adopted by the Commission in September, 1974 and used for the annual reports for 1975-76, 1976-77, and 1977-78.

In developing this new methodology, both the University of California and the California State University and Colleges conferred with a number of groups and individuals, including representatives of faculty organizations. Subsequently, each segment submitted proposals for changes in the existing methodology. These proposals were then considered by a technical advisory committee established by the Commission consisting not only of Commission staff and segmental representatives, but also of representatives of the Department of Finance and the Office of the Legislative Analyst.

In the past year, one aspect of the annual report on faculty salaries and fringe benefits was heavily criticized; namely, the treatment of the comparison of fringe benefits. This criticism centered on two major points. The first related to the recent practice of treating the cost of fringe benefits and the salary adjustments required to achieve parity as additive to produce a figure for "Total Equivalent Compensation" (TEC). This practice will be discontinued in subsequent years. The second criticism stemmed from the fact that the comparison method was limited to the employer cost of benefits (expressed as a percentage of payroll). Since there is, at best, only an indirect relationship between the value of fringe benefits to the employee and the cost of those benefits to the employer, the use of fringe benefit comparisons with other institutions can often be seriously misleading.

Although the basic difficulties with fringe benefit comparisons were noted in the report for the 1977-78 fiscal year, it is proposed that a much more definitive disclaimer be included in the text for the 1978-79 report. Clearly, a benefit package of given cost may be very different from another benefit package of the same cost when the two are defined and administered differently. By way of illustration, if the employer adds to a pension fund to improve its actuarial integrity, it increases the cost of the benefit package but does not result in any new or additional benefits.

The Commission will continue to show the results of the comparison survey regarding the cost of fringe benefits but will display it separately from the salary data and will include a sufficiently detailed explanation of the issues so as to avoid misunderstanding or inappropriate use of the figures.

The second major change is the elimination of the "Cost of Living Adjustment for Salaries." For the past three years, an adjustment has been made in the projected salaries of the comparison institutions to account for changes in the rate of inflation. This adjustment has been widely misunderstood. It is not an escalator clause of the kind frequently found in collective bargaining agreements; it is an index only of changes in the rate of inflation and not a measure of inflation itself.

The other changes are essentially technical in nature. To date, all ranks average salary and fringe benefit projections have been made on the basis of prior year (for the preliminary report) and current year (for the final report) segmental staffing patterns. Since these elements of compensation are implemented in the budget year, it is desirable to establish a staffing pattern for that year. This will be done by the University of California for the 1978-79 report and by the California State University and Colleges beginning in 1979-80.

The final change will affect only the computation of fringe benefits for the California State University and Colleges. That system previously based its fringe benefit projections on the assumption that no salary increase would be granted. Because an increase in salary automatically increases applicable fringe benefits, a degree of distortion occurs. The University of California uses a system whereby a salary increase is computed first, the automatic increases in fringe benefits resulting from that increase accounted for, and the fringe benefits calculated after this accounting. The Commission believes the latter approach to be more reasonable and has therefore adopted it for both segments.

METHODOLOGY

The procedures to be employed for the 1978-79 budget year and in subsequent years are as follows:

A. NUMBER AND TIMING OF REPORTS

Two reports will be prepared each year. The first report, based on preliminary data, will be submitted to the Department of Finance in November. The final report, based on the most current data, will be submitted to the Legislative Budget Committee in April. In order to meet these submission dates, the University of California and the California State University and Colleges will forward data on comparison institutions and segmental faculty salaries to Commission staff by mid-October for the preliminary report and by late February for the final report.

B. PRINCIPLE OF PARITY

The report will indicate what adjustments would be needed for the forthcoming year for salaries and costs of fringe benefits for University of California and California State University and Colleges' faculty to achieve and maintain rank-by-rank parity with such salaries and costs of fringe benefits provided faculty in appropriate comparison institutions. A separate list of comparison institutions will be used by each of the California segments of higher education. The report will separate calculations and displays of data related to percentage increases required for parity in salaries from those related to fringe benefit costs.

C. COMPARISON INSTITUTIONS[1]

Comparison institutions for the University of California will be:

Cornell University
Harvard University
Stanford University
State University of New York at Buffalo
University of Illinois
University of Michigan at Ann Arbor
University of Wisconsin at Madison
Yale University

Comparison institutions for the California State University and Colleges will be:

East

State University of New York at Albany
State University of New York College at Buffalo
Syracuse University
Virginia Polytechnic Institute and State University

West

University of Southern California
University of Hawaii
University of Nevada
University of Oregon
Portland State University

---

[1] If any institution is omitted for any reason, a replacement will be selected based upon the established criteria by Commission staff in mutual consultation with the segments, the Department of Finance, and the Legislative Analyst. The Attachment indicates the criteria for selection of the comparison institutions.

Other

University of Colorado
Illinois State University
Northern Illinois University
Southern Illinois University
Indiana State University
Iowa State University
Wayne State University
Western Michigan University
Bowling Green State University
Miami University (Ohio)
University of Wisconsin at Milwaukee

D. FACULTY TO BE INCLUDED AND EXCLUDED

The faculties to be included in the comparisons are those with full-time appointments at the ranks of professor, associate professor, assistant professor, and instructor, employed on nine and eleven month (prorated) appointments, (both regular and irregular ranks as appropriate), with the exception of faculties in the health sciences, summer sessions, extension programs and laboratory schools, provided that these faculties are covered by salary scales or schedules other than that of the regular faculty. At the rank of instructor, full-time equivalent faculty are used because of the preponderance of part-time appointments at this rank.

The faculty members to be included are those assigned to instruction (regardless of the assignments for research or other university purposes), department chairmen (if not on an administrative salary schedule), and faculty on salaried sabbatical leave.

E. COMPUTATION OF AVERAGE SALARIES AND COST OF FRINGE BENEFITS

For each academic rank within the California State University and Colleges' comparison groups, the total actual salary dollars for the combined group is divided by the number of faculty within the rank to derive average salaries by rank for their comparison institutions as a whole. Average costs of fringe benefits will be computed in a similar manner.

For the University of California's comparison groups, the average salary by rank is obtained for each comparison institution. The single average salary (for each rank) for the comparison group is then calculated by adding the average salaries at the eight comparison institutions and dividing by eight, thereby giving equal weight to each institution regardless of the number of faculty. The same procedure should be used to compute the cost of fringe benefits.

F. FIVE-YEAR COMPOUND RATE OF SALARY AND FRINGE BENEFIT GROWTH

For the preliminary report, a five-year compound rate of change in salaries and fringe benefits at each rank at the comparison institutions will be computed on the basis of actual salary and fringe benefit data of the preceding year and of the prior five years.

In obtaining compound rates of change at the comparison institutions, each segment will compute the average salary and fringe benefit costs by rank for their respective comparison institution groups as specified in Section E above. Each will then calculate the annual compound growth rate changes in average salaries and fringe benefit costs for each rank (over the five-year period) at their respective comparision institutions. These rates of change will then be used to project average salaries and costs of fringe benefits for that rank forward for two years to the budget year.

The same procedure will be used in producing the final report, except that the base year for the comparison institutions will be moved forward one year, permitting the use of a one-year projection rather than the two-year projection necessary in the preliminary report. The California segments will use actual current salary and fringe benefit data as reported by the comparison institutions rather than budgeted figures.

G. ALL-RANKS AVERAGE SALARY AND FRINGE BENEFIT COSTS

Average all-ranks average salaries and fringe benefit costs projected for the budget year will be calculated for each segment, using the average salaries and fringe benefits by rank projected for the budget year for the comparison groups and the staffing pattern in the appropriate California segment. The California State University and Colleges will use the current year staffing pattern while the University of California will use a staffing pattern projected for the budget year. These all-ranks average salary and fringe benefit amounts for the budget year constitute the salaries and fringe benefits to be provided to the corresponding California segment for that segment to achieve parity, rank-by-rank, with its comparison group. The average all-ranks salaries and fringe benefits thus projected to the budget year for each California segment will then be compared with the current all-ranks average salaries and fringe benefits for that segment to determine the percentage increase required by the segment to achieve parity. For the 1978-79 report, the California State University and Colleges will modify the percentage difference (to 1/10th of a percentage point) to account for merit increases, promotions, and faculty turnover. This adjustment will not be necessary for the University of California since the projection of the staffing pattern into the budget year will account for these adjustments automatically. In subsequent years, the California State University and Colleges will use the same procedure as the University of California.

H. SUPPLEMENTARY INFORMATION

The Commission will prepare supplementary tables containing five years of trend data, with the data for the most recent year supplied by the segments.

1. Number of full-time faculty by rank;
2. Number and percent of new and continuing full-time faculty with the doctorate by rank;
3. Number and percent of full-time faculty with tenure or security of appointment by rank;
4. Separations of full-time faculty with tenure or security of appointment by rank;
5. Destination of faculty who resign, by rank (indicating the name of the institution for those faculty remaining in higher education);
6. Sources of recruitment by rank;
7. Faculty promotional patterns.

ATTACHMENT

CRITERIA FOR SELECTION OF COMPARISON INSTITUTIONS

The following criteria will be used to select comparison institutions for the University of California:

1. Each institution should be an eminent major university offering a broad spectrum of undergraduate, graduate (Masters and Ph.D.), and professional instruction, and with a faculty responsible for research as well as teaching.

2. Each institution should be one with which the University is in significant and continuing competition in the recruitment and retention of faculty.

3. Each institution should be one from which it is possible to collect salary data on a timely, voluntary and regular basis. (Not all institutions are willing to provide their salary data, especially in the detail required for comparison purposes.)

4. The comparison group should be composed of both public and private institutions.

In selecting these institutions, stability over time in the comparison institutions group is important to enable the development of faculty salary market perspective, time serious analysis, and the contacts necessary for gathering required data.

The following criteria will be used for selection of comparison institutions for the California State University and Colleges. The institutions selected according to these criteria are those which have approximately the same functions with regard to undergraduate and graduate instruction, and with which the Califionia State University and Colleges compete for faculty.

1. General Comparability of Institutions

   The expectations of faculty at the comparison institutions should be relatively similar to those prevailing at the California State University and Colleges. Consequently, the comparison institutions should be large institutions that offer both undergraduate and graduate instruction. Excluded from consideration under this criterion were:

   a. Institutions with less than 300 faculty members;

b. The 20 institutions that awarded the greatest number of doctoral degrees during the ten-year period, 1959-60 through 1968-69. (These 20 institutions awarded nearly half of all doctoral degrees awarded in the U.S. during this period);

c. Community Colleges and colleges without graduate programs;

d. Institutions staffed with religious faculty.

2. Comparability of States' Ability to Support Higher Education

The basis of financial support available to the comparison institutions should be relatively similar to that of California. Excluded from consideration were:

a. Institutions in states where the per capita income in 1970 was more than ten percent below the U.S. average. (California's per capita income was approximately 14 percent above the U.S. average.) The criterion was applied to both public and private institutions;

b. Institutions in New York City and Washington, D.C., because of the high cost of living and the much higher than average incomes in these cities.

3. Competition for Faculty

Institutions on the comparison list preferably should be institutions from which California State University and Colleges' faculty are recruited or vice versa.

4. Similarity of Functions

The comparison group should include institutions that are among the largest institutions with graduate programs but which do not grant, or grant very few, doctoral degrees.[1] (Nine CSUC campuses are among the 20 largest such institutions in the country.)

5. Fringe Benefits

The comparison institutions should provide fringe benefits, including a retirement program, that vests in the faculty member within five years. This criterion was applied by generally excluding from consideration institutions with nonvesting retirement programs.

---

[1] Category IIA in the AAUP report.

6. University of California Comparison Institutions

The comparison group of institutions developed for the California State University and Colleges should not include institutions used by the University of California in determining its faculty compensation.

7. Acceptance as Comparison Institution

The comparison institutions preferably should be institutions that have been accepted previously for the purpose of comparing faculty salaries in the California State University and Colleges.

8. Senior or Tenured Faculty

The comparison group of institutions should have a faculty mix ratio in their upper two ranks that is similar to the ratio of faculty in the upper two ranks of the California State University and Colleges.

APPENDIX D

University of California and California State University and Colleges Comparison Institutions

1966-67 - 1981-82

UNIVERSITY OF CALIFORNIA AND CALIFORNIA STATE UNIVERSITY AND COLLEGES COMPARISON INSTITUTIONS, 1966-67 - 1979-80

1966-67

University of California:

Columbia University
Harvard University
Princeton University
University of Michigan
Yale University

California State Colleges:

Bowling Green State University
Brooklyn College
Carleton College
Colorado State University
Occidental College
Pomona College
Purdue University
Rutgers State University
Southern Illinois University
Wesleyan University

1967-68

University of California:

Columbia University
Cornell University
Harvard University
Princeton University
University of Illinois
University of Michigan
University of Wisconsin
Yale University

California State Colleges:

Bowling Green State University
Brandeis University
Brooklyn College
Iowa State University
Occidental College
Pomona College
Purdue University
Rutgers State University
Southern Illinois University
University of Oregon

1968-69

University of California:

- Cornell University
- Harvard University
- Stanford University
- State University of New York (Buffalo)
- University of Illinois
- University of Michigan
- University of Wisconsin
- Yale University

California State Colleges:

- Bowling Green State University
- Brandeis University
- Brooklyn College
- Brown University
- Iowa State University
- Michigan State University
- Northwestern University
- Pennsylvania State University
- Purdue University
- Rutgers State University
- Southern Illinois University
- State University of New York (Albany)
- University of Colorado
- University of Kentucky
- University of Massachusetts (Amherst)
- University of Oregon
- Wayne State University
- University of Minnesota

1969-70

University of California:

(No Change)

California State Colleges:

(No Change)

1970-71

University of California:

- Brown University
- Columbia University
- Cornell University
- Harvard University
- Princeton University
- Michigan State University
- Northwestern University
- Ohio State University
- Purdue University
- University of Chicago
- University of Indiana
- University of Illinois
- University of Iowa
- University of Michigan
- University of Minnesota
- University of Pennsylvania
- University of Wisconsin
- Yale University
- Stanford University

California State Colleges:

The Major Public University in Each State (50 Institutions)

- University of Alabama
- University of Alaska
- University of Arizona
- University of Arkansas
- University of California
- University of Colorado
- University of Connecticut
- University of Delaware
- University of Florida
- University of Georgia
- University of Hawaii
- University of Idaho
- University of Illinois
- Indiana University
- University of Iowa
- University of Kansas
- University of Kentucky
- Louisiana State University
- University of Maine
- University of Maryland
- University of Massachusetts
- University of Michigan

University of Minnesota
University of Mississippi
University of Missouri
University of Montana
University of Nebraska
University of Nevada
University of New Hampshire
University of New Mexico
Rutgers State University (New Jersey)
State University of New York (Buffalo)
University of North Carolina
University of North Dakota
Ohio State University
University of Oklahoma
University of Oregon
Pennsylvania State University
University of Rhode Island
University of South Carolina
University of South Dakota
University of Tennessee
University of Texas
University of Utah
University of Vermont
University of Virginia
University of Washington
West Virginia University
University of Wisconsin
University of Wyoming

Other Public Institutions Which Meet the Definition of a University (20 Institutions)

Auburn University
Arizona State University
Colorado State University
Florida State University
Purdue University
Iowa State University
Kansas State University
Michigan State University
Wayne State University
Mississippi State University
New Mexico State University
North Dakota State University
University of Cincinnati
Oklahoma State University
Oregon State University
Texas A & M University
Texas Technological College
University of Houston
Utah State University
Washington State University

Private Institutions Which Meet the Definition of a University (32 Institutions)

Stanford University
University of Southern California
Yale University
George Washington University
Illinois Institute of Technology
Northwestern University
University of Chicago
Tulane University
Johns Hopkins University
Boston University
Brandeis University
Clark University
Harvard University
Massachusetts Institute of Technology
Tufts University
Washington University (St. Louis)
Princeton University
Columbia University
Columbia Teachers College
Cornell University
New York University
Syracuse University
University of Rochester
Duke University
Case Western Reserve
Lehigh University
Temple University
University of Pennsylvania
University of Pittsburgh
Brown University
Vanderbilt University
Rice University

1971-72

University of California:

(No Change)

California State University and Colleges:

(No Change)

1972-73

University of California:

(Same List as Used in 1968-69)

California State University and Colleges:

(No Change)

1973-74

University of California:

(No Change)

California State University and Colleges:

Bowling Green State University
Illinois State University
Indiana State University
Iowa State University
Miami University (Ohio)
Northern Illinois University
Portland State University
Southern Illinois University
State University of New York (Albany)
State University of New York (Buffalo College of Arts and Sciences)
Syracuse University
University of Colorado
University of Hawaii
University of Nevada
University of Oregon
University of Southern California
University of Wisconsin (Milwaukee)
Virginia Polytechnic Institute and State University
Wayne State University
Western Michigan University

1974-75 Through 1981-82

University of California:

(No Change)

California State University and Colleges:

(No Change)

APPENDIX E

University of California Salaries and Cost of Fringe Benefits

1981-82

TABLE 1

UNIVERSITY OF CALIFORNIA

Projected 1980-81 and 1981-82 Salaries for Comparison Group Based Upon Compound Rate of Increase in Average Salaries (Equal Weight to Each Comparison Institution)

Academic Rank	Comparison Group Average Salaries		Compound Rate of Increase	Comparison Group Projected Salaries
	1975-76	1980-81		1981-82
(1)	(2)	(3)	(4)	(5)
Professor	$27,545	$38,144	6.73%	$40,710
Associate Professor	18,855	25,635	6.34	27,259
Assistant Professor	14,850	20,096	6.24	21,349

TABLE 2

UNIVERSITY OF CALIFORNIA

Percentage Increase in UC 1980-81 All Ranks Average Salary Required to Equal the Comparison Group Projections for 1980-81 and 1981-82, Based on Five-Year Compound Rate of Increase in Comparison Group Salaries (Equal Weight to Each Comparison Institution)

Academic Rank	UC Average Salaries	Comparison Group Salaries		Percentage Increase Required in UC Salaries	
	1980-81	1980-81 (Actual)	1981-82 (Projected)	1980-81	1981-82
(1)	(2)	(3)	(4)	(5)	(6)
Professor	$38,330	$38,144	$40,710	- 0.49%	+ 6.21%
Associate Professor	25,466	25,635	27,259	+ 0.66	+ 7.04
Assistant Professor	21,214	20,096	21,349	- 5.27	+ 0.64
All Ranks Average	32,664	32,402 1/	34,543 1/	- 0.80	+ 5.75

1/ Based on projected UC 1981-82 staffing: Professor, 2,861.05; Associate Professor, 1,023.56; Assistant Professor, 772.18. Total staff: 4,656.79.

TABLE 3

UNIVERSITY OF CALIFORNIA

Projected 1981-82 Cost of Fringe Benefits for Comparison Group Based Upon Compound Rate of Increase in Average Fringe Benefit Costs (Equal Weight to Each Comparison Institution)

Academic Rank	Comparison Group Average Cost of Fringe Benefits		Compound Rate of Increase	Comparison Group Projected Cost of Fringe Benefits
	1975-76	1980-81		1981-82
(1)	(2)	(3)	(4)	(5)
Professor	$4,788	$7,000	7.89%	$7,552
Associate Professor	3,430	4,961	7.66	5,341
Assistant Professor	2,861	4,037	7.13	4,325

TABLE 4

UNIVERSITY OF CALIFORNIA

Percentage Change in UC 1980-81 All Ranks Average Cost of Fringe Benefits Required to Equal the Comparison Group Projections for 1981-82, Based Upon Compound Rate of Increase in Average Fringe Benefit Costs (Equal Weight to Each Comparison Institution)

Academic Rank	UC Average Cost of Fringe Benefits 1/ 1980-81	Comparison Group Average Cost of Fringe Benefit Projections 1981-82	Percentage Change Required in UC 1980-81 Average Cost of Fringe Benefits
(1)	(2)	(3)	(4)
Professor	$9,756	$7,552	- 22.59%
Associate Professor	6,816	5,341	- 21.64
Assistant Professor	5,844	4,325	- 25.99
All Ranks Average	8,461 2/	6,531 2/	- 22.81
Less Adjustment for the Effect of a 5.75% Range Adjustment		- 430	- 5.08
Adjusted Parity Requirement		6,101	- 27.89

1/ Based on $992.20 plus 22.87% of average salary.

2/ Based on projected UC 1981-82 staffing including estimated separations and new appointments but excluding the effects of projected merit increases and promotions: Professors, 2,861.05; Associate Professor, 1,023.56; Assistant Professor, 772.18. Total staff: 4,656.79.

APPENDIX F

California State University and Colleges
Salaries and Cost of Fringe Benefits
1981-82

TABLE 1

CALIFORNIA STATE UNIVERSITY AND COLLEGES

Actual 1980-81 and Projected 1981-82 Salaries for Comparison Group Based Upon Compound Rate of Increase in Average Salaries (Weighted by Total Faculty by Rank in Seventeen Reporting Comparison Institutions 1/)

Academic Rank	Comparison Group Average of Average Salaries		Compound Rate of Increase	Comparison Group Projected Salaries
	1975-76	1980-81		1981-82
(1)	(2)	(3)	(4)	(5)
Professor	$23,669	$31,614	5.96%	$33,498
Associate Professor	18,056	24,216	6.05	25,680
Assistant Professor	14,728	19,511	5.79	20,640
Instructor	11,470	15,099	5.65	15,952

1/ State University of New York, Albany and the Buffalo College of Arts and Sciences and Miami University (Ohio), did not report data. Based on past experience, this has the effect of depressing the total comparison group average by approximately 1.0 percent.

TABLE 2

CALIFORNIA STATE UNIVERSITY AND COLLEGES

Percentage Increase in CSUC Estimated 1980-81 All Ranks Average Salary
Required to Equal the Comparison Group Projections for 1980-81 and 1981-82,
Based on Five-Year Compound Rate of Increase in Comparison Group Salaries
(Weighted by Total Faculty by Rank in Seventeen Reporting Comparison Institutions)

Academic Rank	CSUC Average Salaries	Comparison Group Salaries		Percentage Increase Required in CSUC Salaries	
	1980-81	1980-81 (Actual)	1981-82 (Projected)	1980-81	1981-82
(1)	(2)	(3)	(4)	(5)	(6)
Professor	$33,270	$31,614	$33,498	- 4.98%	+ 0.69%
Associate Professor	25,785	24,216	25,680	- 6.08	- 0.41
Assistant Professor	20,965	19,511	20,640	- 6.94	- 1.55
Instructor	18,385	15,099	15,952	-17.87	-13.23
All Ranks Average	29,012 1/	27,382 1/	29,013 1/	- 5.62	0.00
Less Turnover and Promotions		- 145	- 145	0.50	0.50
Adjusted Total		27,237	28,868	- 6.12	- 0.50

1/ Based on CSUC 1980-81 staffing: Professor, 5,892; Associate Professor, 2,899; Assistant Professor, 1,696; Instructor, 196. Staff Total: 10,683.

TABLE 3

CALIFORNIA STATE UNIVERSITY AND COLLEGES

Projected 1981-82 Cost of Fringe Benefits for Comparison Group Based Upon Compound Rate of Increase in Average Fringe Benefit Costs (Weighted by Total Faculty by Rank in Seventeen Reporting Comparison Institutions)

Academic Rank	Comparison Group Average Cost of Fringe Benefits		Compound Rate of Increase	Comparison Group Projected Cost of Fringe Benefits
	1975-76	1980-81		1981-82
(1)	(2)	(3)	(4)	(5)
Professor	$3,387	$5,617	10.65%	$6,215
Associate Professor	2,775	4,562	10.45	5,039
Assistant Professor	2,296	3,652	9.73	4,007
Instructor	1,764	2,792	9.62	3,061

TABLE 4

CALIFORNIA STATE UNIVERSITY AND COLLEGES

Percentage Change in CSUC 1980-81 All Ranks Average Cost of Fringe Benefits Required to Equal the Comparison Group Projections for 1981-82 Based Upon Compound Rate of Increase in Average Fringe Benefit Costs (Weighted by Total Faculty by Rank in all Comparison Institutions)

Academic Rank	CSUC Average Cost of Fringe Benefits 1/ 1980-81	Comparison Group Average Cost of Fringe Benefit Projections 1981-82	Percentage Change Required in CSUC 1979-80 Average Cost of Fringe Benefits
(1)	(2)	(3)	(4)
Professor	$8,831	$6,215	- 29.62%
Associate Professor	7,547	5,039	- 33.23
Assistant Professor	6,319	4,007	- 36.59
Instructor	5,407	3,061	- 43.39
All Ranks Average	8,021 2/	5,487 2/	- 31.59
Less 0.5% Turnover & Promotions, Automatic Salary/Benefit Adjustment, and an Adjustment for the Effect of a -0.50% Range Increase		+ 29	0.36
Adjusted Parity Requirements		5,515	- 31.23

1/ Based on $2,439 plus 19.24 percent of average salary at each rank.

2/ Based on CSUC 1980-81 staffing: Professor, 5,892; Associate Professor, 2,899; Assistant Professor, 1,696; Instructor, 196. Total Faculty: 10,683.

APPENDIX G

University of California Supplementary Information

PLEASE BRING THIS MATERIAL TO THE MEETING, SINCE ADDITIONAL COPIES WILL NOT BE AVAILABLE FOR DISTRIBUTION.

Office of the President
November 12, 1980

TO MEMBERS OF THE COMMITTEE ON FINANCE:

ITEM FOR ACTION

For Meeting of November 20, 1980

Re: Faculty Compensation, 1981-82

The President recommends that the Committee on Finance recommend to The Regents:

1. That The Regents endorse, for 1981-82, a range increase in faculty salaries equivalent to 9.5 percent of the average faculty salaries in 1980-81 (that average to be adjusted for estimated merit increases and promotions to be effective July 1, 1981); and
2. That the President be authorized to adjust this compensation recommendation as additional information becomes available from the eight comparison institutions and based on continuing review of general economic circumstances.

BACKGROUND

In the past several years, The Regents have placed faculty salaries among the University's highest budget priorities. This year (1980-81), for the first time in a decade, salaries have reached competitive levels with other universities. In order to remain competitive, it will be necessary not only to compete on the traditional basis of salary, but also to recognize the effects of inflation, housing prices, and related economic factors which impinge upon the recruitment and retention of University of California faculty. Therefore, the request for 1981-82 is based on comparison data as well as on current and anticipated economic circumstances.

This request recognizes the policy ". . . that the University of California should be among the first rank of institutions nationally, a status that has been justified over the years". (California Postsecondary Education Commission Report on Faculty Salaries -- Spring, 1979.) Maintaining faculty salaries at a level appropriate to a first-rank academic institution requires that the University and the State collaborate in providing the necessary resources to attract and retain the nation's best scholars. In the last two years, legislative action has recognized this standard. It is important that the University and the State continue this positive impetus.

The Comparison Survey and the Role of the California Postsecondary Education Commission

Pursuant to Senate Concurrent Resolution 51 (1965 General Legislative Session), each fiscal year, the California Postsecondary Education Commission (CPEC) submits two reports (one in the Fall and the other in the Spring) relating to faculty salaries and benefits in the University of California and in the California State University and Colleges. These reports present the results of comparison surveys conducted by each institution, using a method that is mutually agreed upon by CPEC and the segments. The eight institutions included in the University of California comparison survey are Cornell University, Harvard University, University of Illinois, University of Michigan, Stanford University, University of Wisconsin, Yale University, and the State University of New York at Buffalo. In order to maintain a competitive position in 1981-82 with this group of institutions, a minimum range adjustment of 2.7 percent is required.

Economic Factors

In periods of economic stability with low inflation rates, comparison data provide a relatively good measure of compensation requirements. However, in the current economic climate, comparison data based on historical patterns (previous five years) fail to account sufficiently for the likely actions of the comparison institutions as well as the anticipated salary action of other leading academic institutions. In addition, the unique features of the California economy and its effect on the real income of faculty members are not sufficiently recognized. As a result, this year, as in the previous several years, projected inflation and other economic circumstances must be an important consideration in establishing compensation levels.

Inflation

In 1979-80 the faculty received a 14.5 percent range adjustment. The consumer price index for all urban consumers increased 13.1 percen from July, 1979 through June, 1980, while the same consumer price index for the State of California increased 15.7 percent. In 1980-81 the faculty range adjustment was 9.7 percent. The Bank of America estimates a U.S. consumer price index movement from July, 1980 to July, 1981 of 9.2 percent and a California movement of 10.2 percent. Thus, in spite of substantial Regents' requests and strong legislative support, the real wages of faculty members continue to decline. In 1977, The Regents took a position in favor of steps ". . . to recover, to the extent possible, from the harmful effects of inflation on the real purchasing power of the faculty". This objective can only be achieved by attempting to ascertain future California inflation patterns and making appropriate adjustments in the comparison projections. The following forecasts of inflation for 1981-82 in this regard:

Forecast of:	United States	California
UCLA Business Forecasting Project	8.0%	9.8%
Bank of America	9.8%	10.0%
State of California Department of Finance	9.0%	9.2%

This information is helpful in recommending salary levels for the coming academic year.

Other California Economic Factors

General inflation is only one factor affecting University of Californi faculty. The very high cost of housing is also an important factor since the University's ability to attract and retain a high quality faculty is influenced by the availability of affordable housing near the campuses. It is estimated that housing costs in California exceed the national average by over 20 percent. Estimates are that in 1981 housing prices in California will increase by another 10 to 15 percent.

In addition to housing prices, there are unique features of the California economy that increase the cost of goods and services. These increased costs, in such areas as health care, influence scholars' decisions regarding relocation to California. Therefore, it is necessary for the University to go beyond institutional comparisons and general inflation trends in setting salaries.

The Recommended Range Adjustment

The recommended range adjustment in faculty salaries is equivalent to 9.5 percent of the average faculty salary in 1980-81. The comparison survey data based on the comparison institutions indicate that the following rank-by-rank range adjustment would be required to achieve parity at the mean of these institutions:

Professor	3.36 percent
Associate Professor	3.43 percent
Assistant Professor	2.76 percent

The University does not seek in this recommendation to make up for accumulated lags in real income due to inflation, nor is it the intention to index the salary request to the past or anticipated rate of inflation. Rather, 9.5 percent reflects our best judgment of the required increase for University of California faculty to retain their competitive standing.

It should be noted that funding of merit increases and promotions for all academic employees is requested separately in The Regents' Budget, and in conformity with past practice, the percentage of range adjustment is applied to the entire academic payroll in developing the funding requirements.

THE UNIVERSITY OF CALIFORNIA

OFFICE OF THE VICE PRESIDENT-ACADEMIC AND STAFF PERSONNEL RELATIONS

SPRING 1981

TABLE A-1(1)

Projected Difference in Faculty Salaries: UC and Comparison Institutions

	Professor	Associate Professor	Assistant Professor	Average(5)
Comparison 8 Institutions:(2)				
1980-81 Average Salaries	38,144	25,635	20,096	
1975-76 Average Salaries	27,545	18,855	14,850	
(3) 1981-82 Projected Salaries	40,710	27,260	21,349	34,543
UC:				
1980-81 Average Salaries (4)	38,330	25,465	21,214	32,664
1981-82 Projected Staffing	2861.05	1023.56	772.18	
Percentage Increase Needed to adjust UC 1980-81 Salaries to equal the projected 1981-82 average comparison salaries	6.21%	7.04%	0.64%	5.75%

---

(1) Salary data exclude health sciences.

(2) Comparison institutions: Cornell University, Harvard University, University of Illinois, University of Michigan (Ann Arbor), University of Wisconsin (Madison), Yale University, Stanford University and SUNY-Buffalo, computed from confidential data.

(3) Compound annual growth rate over the five-year period is used for the one-year projection.

(4) 1980-81 average salaries adjusted to include merits and promotions to be effective 7/1/81.

(5) Averages based on projected 1981-82 U.C. staffing pattern.

THE UNIVERSITY OF CALIFORNIA

OFFICE OF THE VICE PRESIDENT-ACADEMIC AND STAFF PERSONNEL RELATIONS

SPRING 1981

TABLE A-2(1)

Projected Difference in Fringe Benefits: UC and Comparison Institutions

	Professor	Associate Professor	Assistant Professor	Average(4)
Comparison Institutions:				
1980-81 Average Fringe Benefits (1)	7000.	4961.	4037.	
1975-76 Average Fringe Benefits (1)	4788.	3430.	2861.	
1981-82 Projected Fringe Benefits (2)	7552.	5341.	4325.	6531.
UC:				
1980-81 Average Fringe Benefits (3)	9758.	6816.	5844.	8462.
Percentage Adjustment needed to make UC fringe benefits equal to the 1981-82 projected average comparison fringe benefits	-22.60%	-21.64%	-26.00%	-22.82%
LESS (adjustment for the effect of a 5.75251 range adjustment)				- 5.08%
Net increase in fringe benefits for parity in 1981-82				-27.90%

---

(1) Computed from confidential data received from comparison institutions.

(2) Compound annual growth rate over the five-year period for each rank is used for the one-year projection.

(3) Equivalent to an average of $992.20 plus 22.87% of average salary.

(4) Average based on projected 1981-82 UC staffing pattern.

THE UNIVERSITY OF CALIFORNIA

OFFICE OF THE VICE PRESIDENT-ACADEMIC AND STAFF PERSONNEL RELATIONS

SPRING 1981

TABLE A-3

Average UC Faculty Fringe Benefits
(Employer Contributions)

Retirement/FICA			20.91% of salary
Unemployment Insurance			.25% of salary
Workmen's Compensation			1.08% of salary
Health Insurance -- Annuitants			.63% of salary
Health Insurance	$928.00		
Life Insurance	16.20		
Non-Industrial Disability Insurance	48.00		
TOTAL	$992.20	plus	22.87% of salary

SOURCE: Office of Budgetary Planning

THE UNIVERSITY OF CALIFORNIA

OFFICE OF THE VICE PRESIDENT-ACADEMIC AND STAFF PERSONNEL RELATIONS

SPRING 1981

TABLE A-4

Average Comparison Institution Salaries

Institution	Professor	Associate Professor	Assistant Professor
	1980-81		
A	41,064 (2)	28,236 (1)	21,861 (1)
B	33,214 (8)	24,040 (8)	20,568 (4)
*C	38,383 (4)	27,527 (2)	16,591 (8)
D	40,394 (3)	24,345 (6)	19,094 (7)
E	36,538 (6)	26,183 (3)	20,582 (3)
F	36,816 (5)	25,610 (4)	20,515 (5)
G	35,875 (7)	24,908 (5)	21,343 (2)
H	42,871 (1)	24,228 (7)	20,215 (6)
Average	38,144	25,635	20,096
	1975-76		
A	27,895 (4)	19,292 (3)	14,859 (5)
B	24,381 (8)	17,681 (8)	15,201 (3)
*C	29,201 (3)	19,940 (1)	14,811 (6)
D	29,648 (1)	18,003 (7)	13,227 (8)
E	26,909 (6)	19,252 (4)	15,676 (1)
F	27,041 (5)	18,787 (5)	14,715 (7)
G	25,787 (7)	18,293 (6)	15,234 (2)
H	29,500 (2)	19,591 (2)	15,080 (4)
Average	27,545	18,855	14,850

*Estimated on the basis of previous year's data.

Note: Confidential data received from comparison institutions include 9- and 11-month full-time salaries for all schools and colleges except health sciences.

UNIVERSITY OF CALIFORNIA SYSTEMWIDE ADMINISTRATION

BERKELEY · DAVIS · IRVINE · LOS ANGELES · RIVERSIDE · SAN DIEGO · SAN FRANCISCO SANTA BARBARA · SANTA CRUZ

Office of the Vice President--
Academic and Staff Personnel Relations

BERKELEY, CALIFORNIA 94720

November 17, 1980

Faculty Salaries
to Wi S.

Associate Director Kenneth B. O'Brien
California Postsecondary Education Commission
1020 - 12th Street
Sacramento, California 95814

Dear Mr. O'Brien:

On behalf of the University of California, I am pleased to transmit to you the two sets of tables which are attached. The first set, A-1 - A-4, contains the results of the Fall survey of projected average salaries and fringe benefits together with the results of computations indicating the percentage increase required to achieve parity (at the mean) with the eight comparison institutions in 1981-82.

The second set of tables, B-1 - B-3, provides the supplementary information required by the Commission. In accordance with discussions held last July with Bill Storey, it was agreed that the number of these supplementary tables could be reduced from seven to three. Consequently, tables B-2, B-4, B-5 and B-6 have been deleted. We have retained data which our discussions concluded to be the most useful in the preparation of the CPEC analysis of UC faculty salary requests.

If there are matters about the above which require clarification, please call Assistant Vice President Blakely.

For your information, at the November 1980 meeting of the Board of Regents of the University, the President will recommend a range adjustment in faculty salaries equal to 9.5 percent of average faculty salaries in 1980-81 (adjusted for merit increases and promotions to be effective July 1, 1981). You soon will receive a copy of that item which contains the recommendation of the President to The Regents.

Sincerely,

Archie Kleingartner
Vice President

cc: President Saxon
Vice President Jenkins

UNIVERSITY OF CALIFORNIA

SUPPLEMENTARY TABLES

TABLE B-1

FULL-TIME FACULTY BY RANK, 1980-81 (actual)[a]

Rank	F.T.E.	Percent
Professor	2,636.08	56%
Associate Professor	1,109.27	24%
Assistant Professor	950.15	20%
Instructor	--	--
(Total)	4,695.50	100%

[a] Full-time faculty by rank, by F.T.E. General campus, 9- and 11- months basis appointments. Excludes the health sciences: Schools of Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine.

Sources: Corporate Personnel System, Payroll Information as of April 30, 1980, and Academic Personnel Logs.

VP--Academic and Staff Personnel Relations
11/80 JGY

TABLE B-2

NUMBER[a] AND PERCENT OF FULL-TIME FACULTY[b] WITH TENURE OR SECURITY OF EMPLOYMENT, 1980-81

	Total Number of Faculty	Faculty with Tenure or Security of Employment	
		N	%
9-Months			
Professor	2,860	2,724	95.2%
Associate Professor	1,241	1,123	90.5%
Assistant Professor	1,024	---	--
Instructor	58	--	--
(All Ranks)	(5,183)	(3,847)	(74.2%)
Lecturer	1,088	116	10.7%
11-Months			
Professor	478	464	97.1%
Associate Professor	142	128	90.1%
Assistant Professor	151	--	--
Instructor	--	--	--
(All Ranks)	(771)	(592)	(76.8%)
Lecturer	18	7	38.9%

[a] Compiled on a headcount basis. These aggregates are, therefore, higher than those compiled in Table B-1 which are computed on an F.T.E. basis.

[b] Includes regular and irregular (Acting, Visiting, In-Residence, Adjunct) rank titles and Lecturers and Senior Lecturers with and without Security of Employment. For purposes of this report, full-time is defined as 50% or more time. Excludes administrators with teaching titles at 0% time, faculty on special leaves without pay, and faculty in the health sciences: Schools of Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine.

Sources: Corporate Personnel System, Payroll Information as of April 30, 1980, and Academic Personnel Logs for 1980-81.

VP--Academic and Staff Personnel Relations
11/80 JGY

TABLE B-3

FACULTY PROMOTIONAL PATTERNS: 1978-79 and 1979-80[a]

	Promoted From Asst. Professor to Assoc. Professor			Promoted From Assoc. Professor to Professor		
	9-Mos.	11-Mos.	Total	9-Mos.	11-Mos.	Total
1978-79:	124	18	142	126	19	145
1979-80:	151	20	171	155	21	176

---

[a] Includes regular rank titles only. For purposes of this report, full-time is defined as 50% or more time. Excludes faculty in the health sciences: Schools of Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine.

Source: Academic Personnel Logs for 1978 and 1979

VP--Academic and Staff Personnel Relations
10/80 JGY

APPENDIX H

California State University and Colleges Supplemental Information

COMMITTEE ON FACULTY AND STAFF AFFAIRS

SALARY PROPOSAL - ACADEMIC SALARY GROUP - 1981-82

Background

In recent years the salary request for the academic group has been based on a methodology which is based on the current rate of inflation plus one fourth the sum necessary to restore faculty purchasing power to the level of 1968-69. Last year the projected rate of inflation was a record 11%. Because the inflation rate was so high, the Board of Trustees adopted that figure as the request for the Academic Salary Group for 1980-81 in lieu of combining the inflation rate figure with the loss of purchasing power figure. The salary increase ultimately granted was 9.75%.

The cost-of-living inflationary spiral continues to reach double digit figures and there is little reason to believe it will drop below such levels during the 1981-82 period. The two tables attached to this Agenda Item indicate the cumulative erosion in the purchasing power of the CSUC faculty as a result of inflation since 1968-69. The three attached graphs compare over a similar time period changes in salaries for other CSUC occupational groups as well as with other measures of salaries prevailing in higher education. From these data, it is evident that CSUC faculty salaries have not kept up with trends in major occupational groups nor with consumer prices. CSUC salaries have managed, however, to catch up with nationwide salary trends in higher education.

The Current Proposal

After careful consideration of the same factors involved in developing the 1980-81 academic salary program, staff is proposing that the Board of Trustees seek funds in an amount which will prevent any further decline in the purchasing power of the academic employees of the CSUC, namely an across-the-board increase of approximately 11% for 1981-82.

The staff have been directed to return to the Faculty and Staff Affairs Committee in January with an action item on the proposal to revise the faculty salary schedule. It is the intention of the staff to recommend at that time that any additional costs involved with any proposed revision of the salary scale would be an additional request. There is no intention of recommending that any portion of the cost of living request recommended to the Board be used for funding a change in the salary schedule or for any equity adjustments. Any further proposals which may be made in January will be accompanied by a request for additional funding.

Staff recommends, therefore, the adoption of the following resolution:

RESOLVED, By the Board of Trustees of The California State University and Colleges, that the Governor and Legislature be urged to provide by 1981-82 funds sufficient to permit an across-the-board increase of approxmately 11% in salaries for personnel in the Academic Salary Group, and be it further

RESOLVED, That the Governor and Legislature be urged to provide funds sufficient to permit fringe benefit improvements equivalent to those granted other State employees in 1981-82 including, if possible, a dental plan.

ATTACHMENT A
F&SA - Item 1
November 11-12, 1980

CUMULATIVE IMPACT OF THE RISE IN CONSUMER PRICES ON CSUC FACULTY SALARIES SINCE 1968-69

ACADEMIC YEAR	SALARY INCREASE AUTHORIZED		INCREASE IN U.S. C.P.I.	EROSION IN FACULTY INCOMES	
				NET	CUMULATIVE
1969-70	5.0%		5.9%	0.9%	0.9%
1970-71	none		5.2	5.2	6.1
1971-72	none		3.6	3.6	9.9
1972-73	8.4		4.0	4.2% gain	5.4
1973-74	7.5		8.9	1.3	6.9
1974-75	5.3		11.1	5.5	12.8
1975-76	7.1		7.1	none	12.8
1976-77	4.3		5.8	1.4	14.4
1977-78	5.0		6.7	1.6	16.2
1978-79	5.3*	14.9	9.4	3.9	20.8
1979-80	9.1		13.3	3.8	25.4
1980-81	9.8		(11.0)	(1.1)	(26.8)

*The 5.3% increase shown for 78-9 represents the value over a nine-month period of the 7% increase authorized by the Legislature in 1979 (SB 91) and subsequent Trustee action; it has not yet been paid because of legal challenges.

( ) Figures in parentheses indicate estimates with an 11% inflation assumption for 1980-81

ATTACHMENT B
F&SA - Item 1
November 11-12, 1980

"REAL" INCOME OF
CSUC FULL PROFESSORS - MAXIMUM SALARY

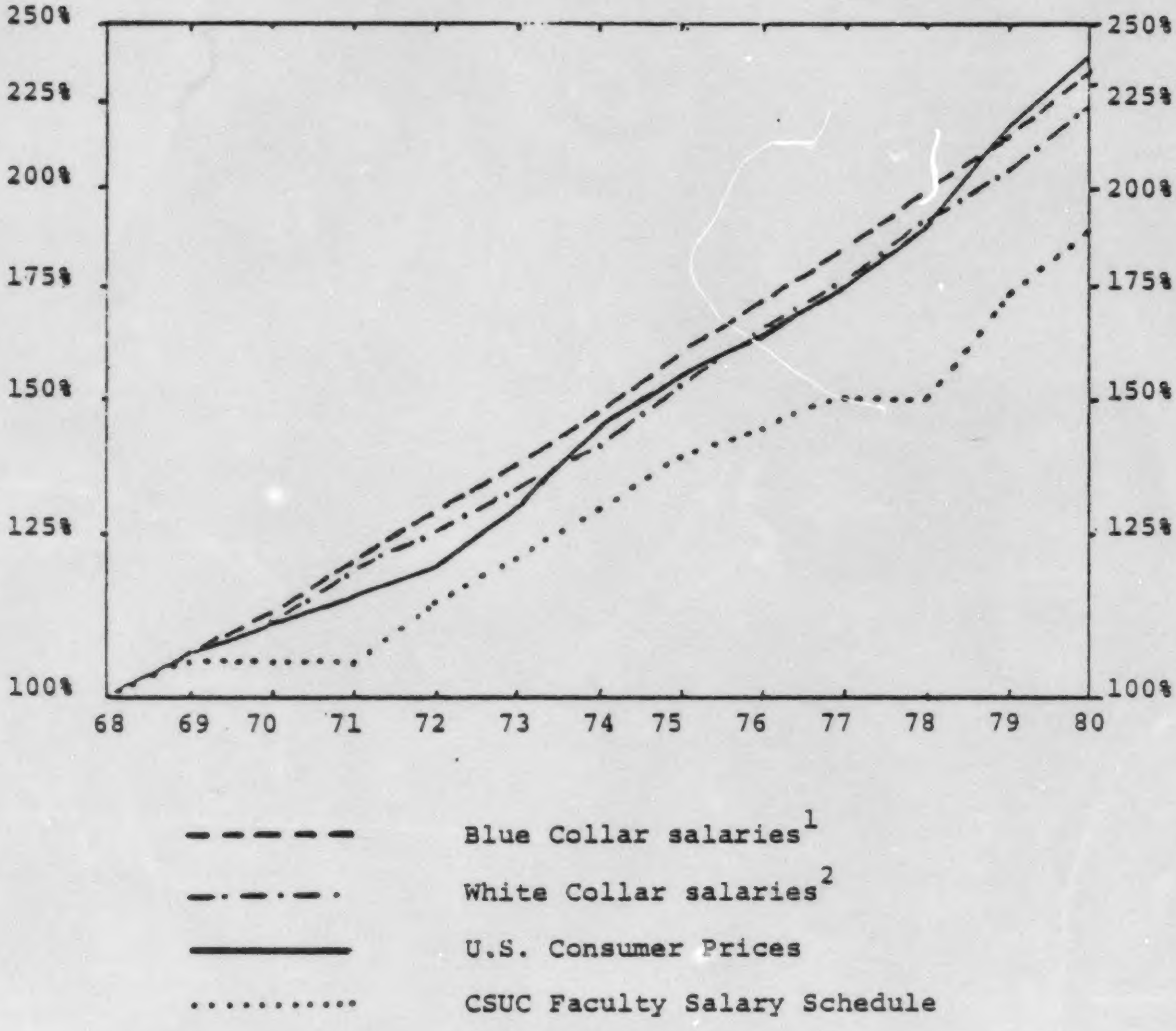
	CURRENT DOLLARS	U.S. CPI FY AVERAGE	CONSTANT DOLLARS	DECLINE FROM 1968 LEVEL
Fall 1961	$12,276	90.07	$13,629	
62	13,020	91.14	14,286	
63	13,020	92.44	14,085	
64	13,920	93.62	14,869	
65	15,192	95.66	15,881	
66	16,212	98.62	16,439	
67	17,016	101.91	16,697	
68	18,288	106.82	17,120*	
69	19,224	113.14	16,991	0.8%
70	19,224	118.97	16,159	5.9
71	19,224	123.27	15,595	9.8
72	20,892	128.24	16,291	5.1
73	22,452	139.72	16,069	6.5
74	23,532	155.16	15,166	12.9
75	25,212	166.17	15,172	12.8
76	26,052	175.80	14,819	15.5
77	27,348	187.62	14,576	17.5
78	27,348	205.23	13,326	28.5
79	31,416	232.55	13,509	26.7
80	34,476	(258.13)	(13,356)	(28.2)

( ) Parentheses indicate estimate with 11% inflation for 1980-81

*Indicates highest level of real income achieved

ATTACHMENT C
F&SA - Item 1
November 11-12, 1980

Percent Change in Nominal Salaries Since 1968
CSUC Faculty Salary Schedule & National Indicators of Wages and Prices



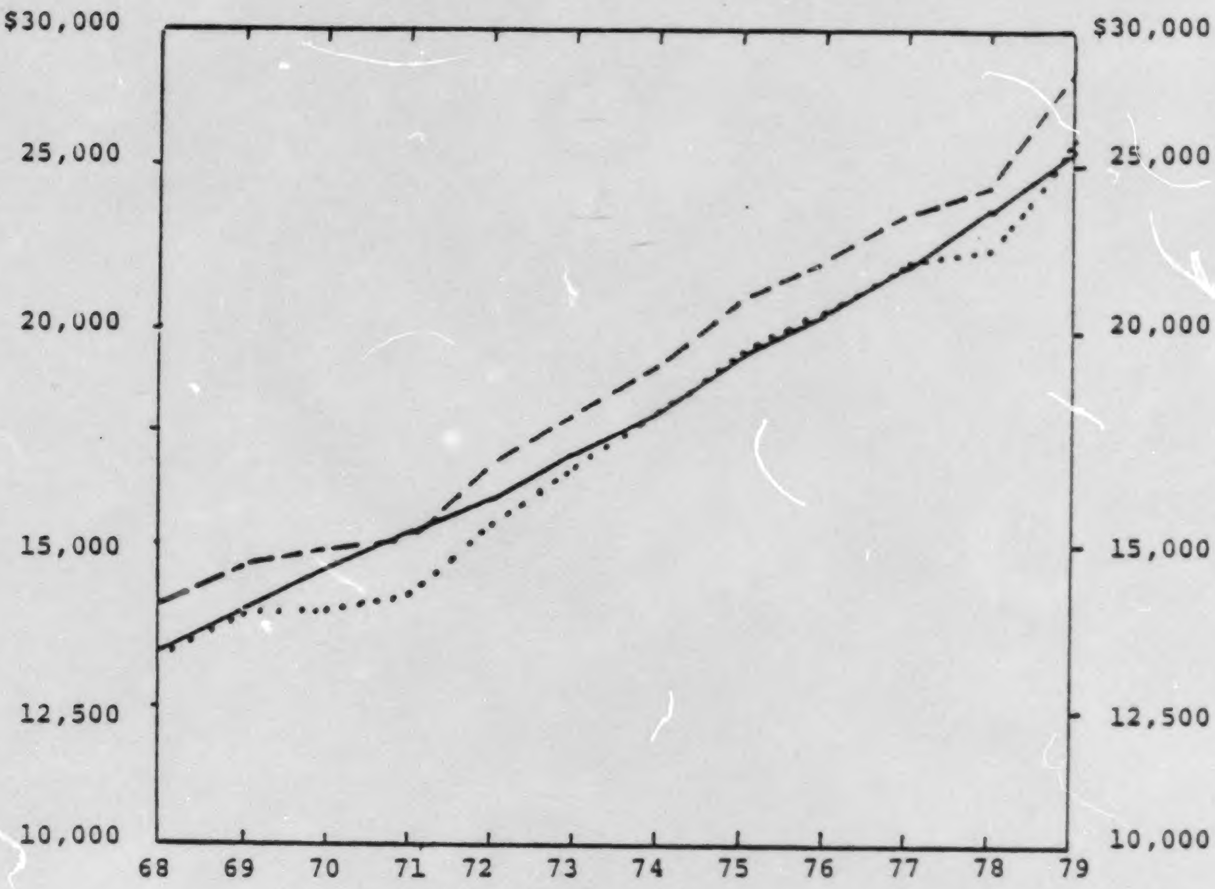
---

1. Average hourly earnings for production workers in private non-farm employment

2. National Survey of Professional, Administrative & Clerical Workers (B.L.S.)

ATTACHMENT D
F&SA - Item 1
November 11-12, 1980

Faculty Salaries in the CSUC, the University of California and Other Public Universities



Note: Graph shows average salaries computed using the CSUC staffing patterns.

- - - - - University of California

——— Public Universities (source: AAUP)

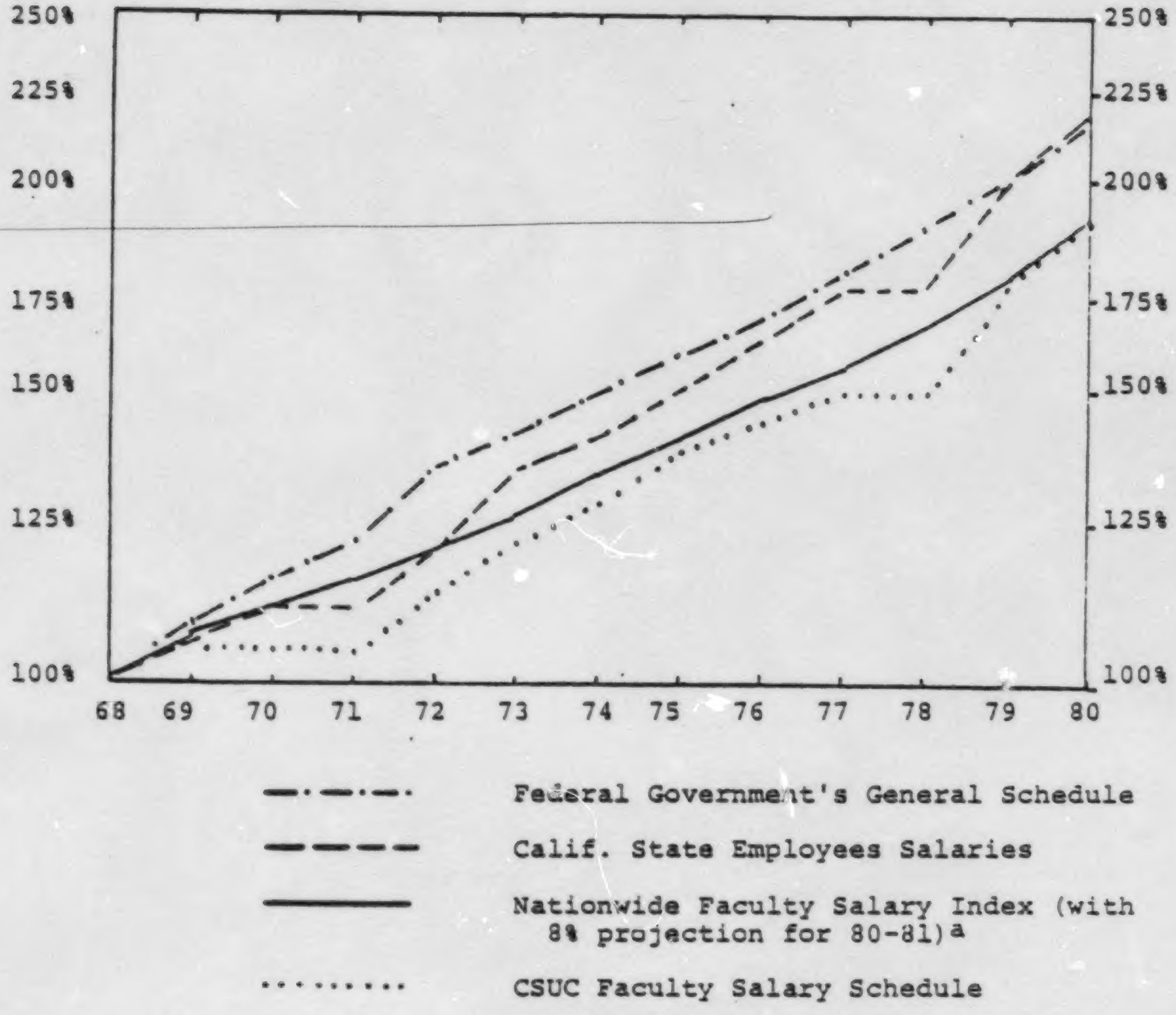
· · · · · · · · CSUC

ATTACHMENT E
&SA - Item 1
November 11-12,1980

Percent Change in Nominal Salaries Since 1968

CSUC Faculty Salary Schedule & Salaries Paid By

Selected Other Employers



a. Based on D. Kent Halstead's faculty salary index adjusted to a 1968-69 base year.

APPENDIX I

Categories of Measurement for the Consumer Price Index

APPENDIX I

CATEGORIES OF MEASUREMENT FOR THE CONSUMER PRICE INDEX

Category	Weight
I. Food and Beverages	18.685%
A. Food	
1. Food at home	
a. Cereals and bakery products	(1.518)
(1) Cereals and cereal products	
(a) Flour and prepared flour mixes	
(b) Cereal	
(c) Rice, pasta, and cornmeal	
(2) Bakery products	
(a) White bread	
(b) Other Bread	
(c) Fresh biscuits, rolls, and muffins	
(d) Fresh cakes and cupcakes	
(e) Cookies	
(f) Crackers and bread and cracker products	
(g) Fresh sweetrolls, coffeecake, and donuts	
(h) Frozen and refrigerated bakery products and fresh pies, tarts and turnovers	
b. Meats, poultry, fish, and eggs	(4.189)
(1) Meats, poultry, fish	
(a) Meats	

[1] Beef and veal

[a] Ground beef other than canned
[b] Chuck roast
[c] Round roast
[d] Round steak
[e] Sirloin steak
[f] Other beef and veal

[2] Pork

[a] Bacon
[b] Chops
[c] Ham other than canned
[d] Sausage
[e] Canned ham
[f] Other pork

[3] Other meats

[a] Frankfurters
[b] Bologna, liverwurst, and salami
[c] Other lunchmeat
[d] Lamb and organ meats

(b) Poultry

[1] Fresh whole chicken
[2] Fresh and frozen chicken parts
[3] Other poultry

(c) Fish and seafood

[1] Canned fish and seafood
[2] Fresh and frozen fish and seafood

(2) Eggs

c. Dairy products (1.642)

(1) Fresh milk and cream

(a) Fresh whole milk
(b) Other fresh milk and cream

- (2) Processed dairy products
  - (a) Butter
  - (b) Cheese
  - (c) Ice cream and related products
  - (d) Other dairy products

d. Fruits and vegetables (1.702)

- (1) Fresh fruits and vegetables
  - (a) Fresh fruits
    - [1] Apples
    - [2] Bananas
    - [3] Oranges
    - [4] Other fresh fruits
  - (b) Fresh vegetables
    - [1] Potatoes
    - [2] Lettuce
    - [3] Tomatoes
    - [4] Other fresh vegetables
- (2) Processed fruits and vegetables
  - (a) Processed fruits
    - [1] Frozen fruit and fruit juices
    - [2] Fruit juices other than frozen
    - [3] Canned and dried fruits
  - (b) Processed vegetables
    - [1] Frozen vegetables
    - [2] Cut corn and canned beans except lima
    - [3] Other canned and dried vegetables

e. Other foods at home (3.152)

- (1) Sugar and sweets
  - (a) Candy and chewing gum
  - (b) Sugar and artificial sweeteners
  - (c) Other sweets

- (2) Fats and oils
  - (a) Margarine
  - (b) Nondairy substitutes and peanut butter
  - (c) Other fats, oils and salad dressings
- (3) Nonalcoholic beverages
  - (a) Cola drinks, excluding diet cola
  - (b) Carbonated drinks, including diet cola
  - (c) Roasted coffee
  - (d) Freeze dried and instant coffee
  - (e) Other noncarbonated drinks
- (4) Other prepared foods
  - (a) Canned and packaged soup
  - (b) Frozen prepared foods
  - (c) Snacks
  - (d) Seasonings, olives, pickles, and relish
  - (e) Other condiments
  - (f) Miscellaneous prepared foods
  - (g) Other canned and packaged prepared foods

2. Food away from home (5.454)
   - a. Lunch
   - b. Dinner
   - c. Other meals and snacks

B. Alcoholic beverages (1.029)

1. Alcoholic beverages at home
   - a. Beer and ale
   - b. Whiskey
   - c. Wine
   - d. Other alcoholic beverages
2. Alcoholic beverages away from home

II. Housing	44.999%
A. Shelter	
1. Rent, residential	(5.273)
2. Other rental costs	(0.734)
a. Lodging while out of town	
b. Tenants' insurance	
3. Home ownership	
a. Home purchase	(10.396)
b. Financing, taxes and insurance	(10.902)
(1) Property insurance	
(2) Property taxes	
(3) Contracted mortgage interest cost	
(4) Mortgage interest rates	
c. Maintenance and repairs	
(1) Maintenance and repair services	(2.778)
(2) Maintenance and repair commodities	(0.828)
(a) Paint and wallpaper, supplies tools, and equipment	
(b) Lumber, awnings, glass, and masonry	
(c) Plumbing, electrical, heating, and cooling supplies	
(d) Miscellaneous supplies and equipment	
B. Fuel and other utilities	
1. Fuels	
a. Fuel oil, coal, and bottled gas	(1.214)
(1) Fuel oil	
(2) Other fuels	
b. Gas (piped) and electricity	(3.393)
(1) Electricity	
(2) Utility (piped) gas	

2. Other utilities and public services (1.870)

a. Telephone services

(1) Local charges
(2) Interstate toll calls
(3) Intrastate toll calls

b. Water and sewerage maintenance

C. Household furnishings and operation

1. Housefurnishings (4.139)

a. Textile housefurnishings

(1) Household linens
(2) Curtains, drapes, slipcovers, and sewing materials

b. Furniture and bedding

(1) Bedroom furniture
(2) Sofas
(3) Living room chairs and tables
(4) Other furniture

c. Appliances including TV and sound equipment

(1) Television and sound equipment

(a) Television
(b) Sound equipment

(2) Household appliances

(a) Refrigerators and home freezers
(b) Laundry equipment
(c) Other household appliances

[1] Stoves, dishwashers, vacuums, and sewing machines
[2] Office machines, small electric appliances, and air conditioners

- d. Other household equipment
    - (1) Floor and window coverings, infants', laundry, cleaning, and outdoor equipment
    - (2) Clocks, lamps, and decor items
    - (3) Tableware, serving pieces, and non-electric kitchenware
    - (4) Lawn equipment, power tools, and other hardware

2. Housekeeping supplies (1.459)
    - a. Soaps and detergents
    - b. Other laundry and cleaning products
    - c. Cleansing and toilet tissue, paper towels and napkins
    - d. Stationery, stationery supplies, and gift wrap
    - e. Miscellaneous household products
    - f. Lawn and garden supplies

3. Housekeeping services (2.015)
    - a. Postage
    - b. Moving, storage, freight, household laundry, and drycleaning services
    - c. Appliance and furniture repair

III. Apparel and Upkeep 5.107%

- A. Apparel commodities
    - 1. Apparel commodities less footware
        - a. Men's and boys' (1.396)
            - (1) Men's
                - (a) Suits, sport coats, and jackets
                - (b) Coats and jackets
                - (c) Furnishings and special clothing
                - (d) Shirts
                - (e) Dungarees, jeans, and trousers
            - (2) Boys'
                - (a) Coats, jackets, sweaters, and shirts
                - (b) Furnishings
                - (c) Suits, trousers, sport coats, and jackets

b. Women's and girls'	(1.701)
(1) Women's	
(a) Coats and jackets	
(b) Dresses	
(c) Separates and sportswear	
(d) Underwear, nightwear, and hosiery	
(e) Suits	
(2) Girls'	
(a) Coats, jackets, dresses, and suits	
(b) Separates and sportswear	
(c) Underwear, nightwear, hosiery, and accessories	
c. Infants' and toddlers'	(0.108)
d. Other apparel commodities	(0.572)
(1) Sewing materials and notions	
(2) Jewelry and luggage	
2. Footwear	(0.669)
a. Men's	
b. Boys' and girls'	
c. Women's	
B. Apparel Services	(0.662)
1. Laundry and dry cleaning other than coin operated	
2. Other apparel services	
IV. Transportation	18.572%
A. Private	
1. New cars	(3.731)
2. Used cars	(2.838)

3. Gasoline (5.619)

4. Automobile maintenance and repair (1.473)

- a. Body work
- b. Automobile drive train, brake, and miscellaneous mechanical repair
- c. Maintenance and servicing
- d. Power plant repair

5. Other private transportation

- a. Other private transportation commodities (0.712)
  - (1) Motor oil, coolant, and other products
  - (2) Automobile parts and equipment
    - (a) Tires
    - (b) Other parts and equipment
- b. Other private transportation services (3.133)
  - (1) Automobile insurance
  - (2) Automobile finance charges
  - (3) Automobile rental registration, and other fees
    - (a) State registration
    - (b) Drivers' license
    - (c) Automobile inspection
    - (d) Other automobile-related fees

B. Public Transportation (1.066)

1. Airline fare

2. Intercity bus fare

3. Intracity mass transit

4. Taxi fare

5. Intercity train fare

V. Medical Care 4.817%

A. Medical care commodities (0.802)

1. Prescription drugs

   a. Anti-infective drugs
   b. Tranquilizers and sedatives
   c. Circulatories and diuretics
   d. Hormones, diabetic drugs, biologicals, and prescription medical supplies
   e. Pain and symptom control drugs
   f. Supplements, cough and cold preparations, and respiratory agents

2. Nonprescription drugs and medical supplies

   a. Eyeglasses

   b. Internal and respiratory over-the-counter drugs

   c. Nonprescription medical equipment and supplies

B. Medical care services

1. Professional services (1.911)

   a. Physicians' services

   b. Dental services

   c. Other professional services

2. Other medical care services (2.104)

   a. Hospital room

   b. Other hospital and medical care services

VI. Entertainment 3.738%

A. Entertainment commodities (2.214)

1. Reading materials

   a. Newpapers
   b. Magazines, periodicals, and books

2. Sporting goods and equipment	
a. Sport vehicles	
b. Indoor and warm weather sport equipment	
c. Bicycles	
d. Other sporting goods and equipment	
3. Toys, hobbies, and other entertainment	
a. Toys, hobbies, and music equipment	
b. Photographic supplies and equipment	
c. Pet supplies and expense	
B. Entertainment services	(1.523)
1. Fees for participant sports	
2. Admissions	
3. Other entertainment services	
VII. Other Goods and Services	4.081%
A. Tobacco products	(1.080)
1. Cigarettes	
2. Other tobacco products and smoking accessories	
B. Personal Care	
1. Toilet goods and personal care appliances	(0.728)
a. Products for the hair, hairpieces, and wigs	
b. Dental and shaving products	
c. Cosmetics, bath and nail preparations, manicure and eye makeup implements	
d. Other toilet goods and small personal care appliances	
2. Personal care services	(0.905)
a. Beauty parlor services for females	
b. Haircuts and other barber shop services for males	
C. Personal and educational expenses	

1. School books and supplies	(0.174)
2. Personal and educational services	(1.195)
a. Tuition and other school fees	
(1) College tuition	
(2) Elementary and high school tuition	
b. Personal expenses	

SUMMARY

A summary of the classification and weight structure of the Consumer Price Index is as follows:

I.	Food and Beverages		18.685%
A.	Cereals and bakery products	1.518	
B.	Meats, poultry, fish, and eggs	4.189	
C.	Dairy products	1.642	
D.	Fruits and vegetables	1.702	
E.	Other foods at home	3.152	
F.	Food away from home	5.454	
G.	Alcoholic beverages	1.029	
II.	Housing		44.999
A.	Rent, residential	5.273	
B.	Other rental costs	0.734	
C.	Home purchase	10.396	
D.	Financing, taxes, and insurance	10.902	
E.	Maintenance and repair services	2.778	
F.	Maintenance and repair commodities	0.828	
G.	Fuel oil, coal, and bottled gas	1.214	
H.	Gas (piped) and electricity	3.393	
I.	Other utilities and public services	1.870	
J.	Housefurnishings	4.139	
K.	Housekeeping supplies	1.459	
L.	Housekeeping services	2.015	
III.	Apparel and Upkeep		5.107
A.	Men's and boys' apparel	1.396	
B.	Women's and girls' apparel	1.701	
C.	Infants' and toddlers' apparel	0.108	
D.	Other apparel commodities	0.572	
E.	Footwear	0.669	
F.	Apparel services	0.662	
IV.	Transportation		18.572
A.	New cars	3.731	
B.	Used cars	2.838	
C.	Gasoline	5.619	
D.	Automobile maintenance and repair	1.473	
E.	Other private transportation commodities	0.712	
F.	Other private transportation services	3.133	
G.	Public transportation	1.066	

V.	Medical Care		4.817
	A. Medical care commodities	0.802	
	B. Medical care services	4.015	
VI.	Entertainment		3.738
	A. Entertainment commodities	2.214	
	B. Entertainment services	1.523	
VII.	Other Goods and Services		4.081
	A. Tobacco products	1.080	
	B. Toilet goods and personal care appliances	0.728	
	C. Personal care services	0.905	
	D. School books and supplies	0.174	
	E. Personal and educational services	1.195	
	Totals	100.003%*	99.999%*

---

*Totals do not add up to 100% due to rounding.

APPENDIX J

Effect of Federal Taxes on Disposable Income

APPENDIX J

EFFECT OF FEDERAL TAXES ON DISPOSABLE INCOME

For the 1980-81 fiscal year, for example, California State employees, including faculty, received a cost-of-living adjustment of 9.75 percent. What is usually overlooked is the fact that not one employee of the State actually received an increase that high in terms of disposable income. For example, prior to the increase, an unmarried employee claiming one deduction and making $20,000 per year received take-home pay of $13,528 after deductions for federal and State income taxes and Social Security payments, a net of 67.6 percent. With the 9.75 percent increase, gross income went to $21,950 and net income to $14,480 for a net of 66.0 percent. Thus, while gross income increased by 9.75 percent, net income increased by only 7.0 percent. As indicated in Table 1, a similar relationship between gross and net income obtains for State employees at every other income category including faculty at the University or the State University.

These data are shown graphically in Charts 1 through 4. In Chart 1 it can be seen that the space between the line for gross salary and that for net salary widens as income rises. It should also be noted, from Charts 2, 3, and 4 that the percentage taken for federal and State income taxes rises as a percentage of income at each salary interval.

These same charts show that the percentage taken for Social Security payments stays constant at the lower salary levels and then begins to fall slightly after the maximum payment ($1,588 through 1980 and $1,975 in 1981 and thereafter) has been made.

The final column of Table 1 shows the net percentage increase after tax payments and it is noteworthy that the actual increase received by persons earning between $15,000 and $43,900 ranges from a low of 7.03 percent to a high of 8.92 percent. These figures are actually a bit high since the new Social Security payment rate (6.65 percent in 1981 compared to 6.13 percent in 1980) is not reflected in these figures. Thus, the increase of 9.75 percent that was added to gross salary should actually be reduced by between 0.8 and 2.7 percent, depending on the amount of income and the number of deductions claimed.

As a final note on tax increases, it should be mentioned that money withheld from paychecks is not the same as actual taxes paid since many taxpayers receive money back from the government when they file their returns in April. Nevertheless, the number of deductions claimed and the amount withheld are intended to reflect actual taxes paid and there is little doubt that the amount paid by taxpayers in recent years has increased relative to gross income and also in relation to both the Gross National Product and, in California, the Gross State Product. Tables 2 and 3 indicate the magnitude of these increases.

What these two tables show is that government has been taking a very slowly increasing share of personal income at both the federal and State levels over the past decade or two, a trend that may have helped fuel the so-called "taxpayers revolt" of recent years. Although the percentage increases may not seem great, it is well to remember that an increase of one percent at the federal level produces about another $19 billion for the treasury while a State increase of about 2.0 percent adds about $4 billion to the State treasury, based on 1979 personal income figures. The fact that these increases in governmental activity are not reflected in any of the indices that purport to measure the cost-of-living has implications for the validity of the indexes that have not generally been considered in prior years.

TABLE 1

RELATIONSHIP BETWEEN GROSS AND NET INCOME AFTER DEDUCTIONS FOR FEDERAL AND STATE INCOME TAXES AND SOCIAL SECURITY PAYMENTS ASSUMING A 9.75 PERCENT INCREASE IN GROSS INCOME

Salary Category and Gross Salary Before 9.75% Increase	Net Salary After Deductions	Pct.	Gross Salary After Increase	Net Salary After Deductions	Pct.	Net Pct. Increase
Single-1 Dependent						
$15,000	$10,893	72.6%	$16,463	$11,706	71.1%	7.46%
20,000	13,528	67.6	21,950	14,480	66.0	7.03
25,000	15,775	63.1	27,438	17,060	62.2	8.15
30,000	18,220	60.7	32,950	19,803	60.1	8.69
35,000	20,720	59.2	38,413	22,547	58.7	8.82
40,000	23,220	58.1	43,900	25,291	57.6	8.92
Married-2 Dependents						
$15,000	$12,013	80.1%	$16,463	$13,022	79.1%	8.40%
20,000	15,335	76.7	21,950	16,552	75.4	7.94
25,000	18,364	73.5	27,438	19,815	72.2	7.90
30,000	21,352	71.2	32,925	22,980	69.8	7.62
35,000	24,087	68.8	38,413	25,882	67.4	7.45
40,000	26,708	66.8	43,900	28,736	65.5	7.59
Married-4 Dependents						
$15,000	$12,451	83.0%	$16,463	$13,460	81.8%	8.10%
20,000	15,833	79.2	21,950	17,080	77.8	7.88
25,000	18,942	75.8	27,438	20,467	74.6	8.05
30,000	22,010	73.4	32,925	23,746	72.1	7.89
35,000	24,845	71.0	38,413	26,640	69.4	7.22
40,000	27,466	68.7	43,900	29,494	67.2	7.38

TABLE 2

PERSONAL AND DISPOSABLE INCOME
1959 THROUGH 1979
(BILLIONS OF DOLLARS)[1]

Year	Personal Income[2]	Personal Tax and Nontax Payments[3]	Disposable Income	Disposable Income as a Percent of Personal Income
1959	$ 382.1	$ 46.0	$ 336.1	88.0%
1960	399.7	50.4	349.4	87.4
1961	415.0	52.1	362.9	87.5
1962	440.7	56.8	383.9	87.1
1963	463.1	60.3	402.8	87.0
1964	495.7	58.6	437.0	88.2
1965	537.0	64.9	472.2	87.9
1966	584.9	74.5	510.4	87.3
1967	626.6	82.1	544.5	86.9
1968	685.2	97.1	588.1	85.8
1969	745.8	115.4	630.4	84.5
1970	801.3	115.3	685.9	85.6
1971	859.1	116.3	742.8	86.5
1972	942.5	141.2	801.3	85.0
1973	1,052.4	150.8	901.7	85.7
1974	1,154.9	170.3	984.6	85.3
1975	1,255.5	168.8	1,086.7	86.6
1976	1,381.6	197.1	1,184.5	85.7
1977	1,531.6	226.4	1,305.1	85.2
1978	1,717.4	259.0	1,458.4	84.9
1979	1,924.2	299.9	1,624.3	84.4

---

1. Source: *Survey of Current Business*, page 26.

2. Personal Income is defined by the Department of Commerce as "the sum of wage and salary disbursements, other labor income, proprietors' income, rental income of persons, dividends, personal interest income, and transfer payments, less personal contributions for social insurance." It should be noted that Social Security taxes are not included in the Personal Income category or the Personal Tax and Nontax Payments category, nor are payments for such programs as unemployment insurance, veterans life insurance, and others. If these payments are considered to be taxes, disposable income for 1978 and 1979 is reduced to percentages of 81.6 and 81.0, respectively.

3. Personal Tax and Nontax Payments are defined by DOC as follows: "Personal taxes include income, estate and gift, and personal property taxes. Nontaxes include passport fees, fines and penalties, donations, and tuitions and fees paid to schools and hospitals operated mainly by government." They include all taxes paid to federal, State, and local authorities.

TABLE 3

ANNUAL RECEIPTS BY THE FEDERAL GOVERNMENT AND EXPENDITURES BY THE STATE OF CALIFORNIA COMPARED TO NATIONAL AND STATE TOTALS FOR PERSONAL INCOME 1970-71 THROUGH 1980-81 (BILLIONS OF DOLLARS)

Year[1]	National Personal Income	Federal Receipts	Percent	California Personal Income	State of California Expenditures	Percent
1971	$ 859.1	$ 188.4	21.9%	$ 88.6	$ 6.6	7.4%
1972	942.5	208.6	22.1	94.2	6.7	7.1
1973	1,052.4	232.2	22.1	102.5	7.4	7.2
1974	1,154.9	264.9	22.9	112.6	9.3	8.3
1975	1,255.5	281.0	22.4	125.6	10.3	8.2
1976	1,381.6	300.0	21.7	139.5	11.5	8.2
1977	1,531.6	357.8	23.4	155.6	12.6	8.1
1978	1,717.4	402.0	23.4	175.2	14.0	8.0
1979	1,924.2	465.9	24.2	199.0	18.7	9.4
1980[2]	(2,191.9)	(517.9)	(23.6)	(226.5)	(22.1)	(9.8)
1981[2]	(2,471.8)	(604.0)	(24.4)	(251.2)	(24.0)	(9.6)

---

1. Personal income figures are for calendar years.

2. Estimated

Sources: Economic Indicators; Governor's Budget, State of California, 1980-81; UCLA Economic Forecast

183

CHART 1

EFFECT OF FEDERAL AND STATE INCOME TAXES AND OASDI PAYMENTS ON GROSS INCOME

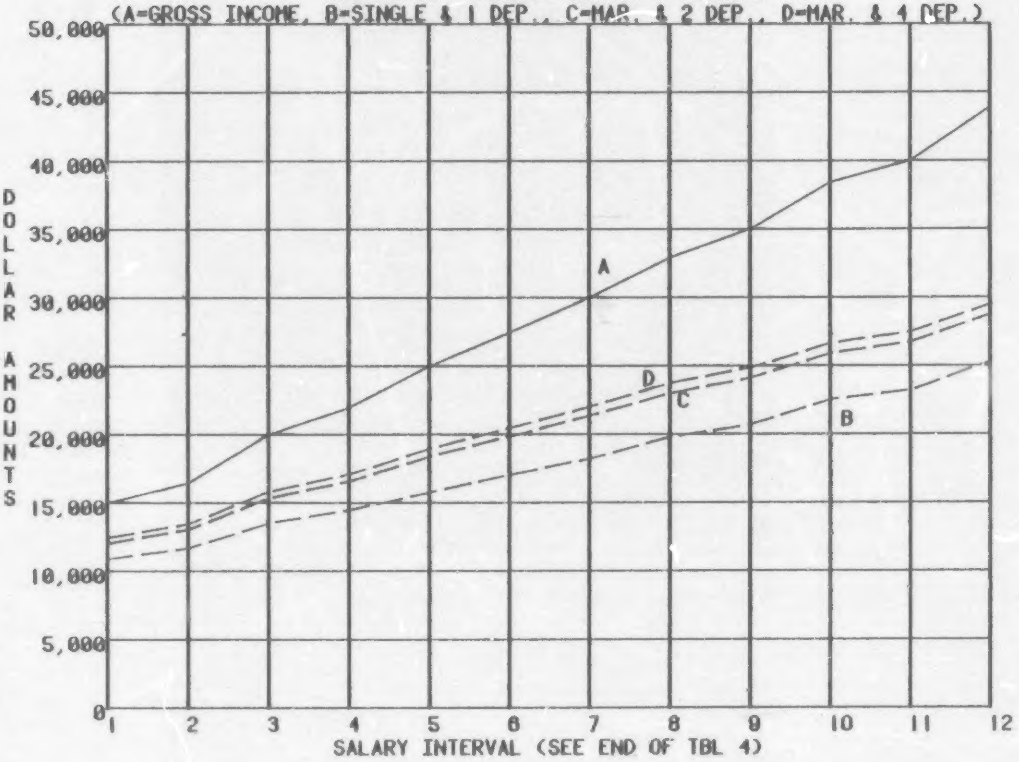


CHART 2

EFFECT OF FEDERAL AND STATE INCOME TAXES AND OASDI PAYMENTS ON GROSS AND NET INCOME (SINGLE WITH ONE DEDUCTION CLAIMED)

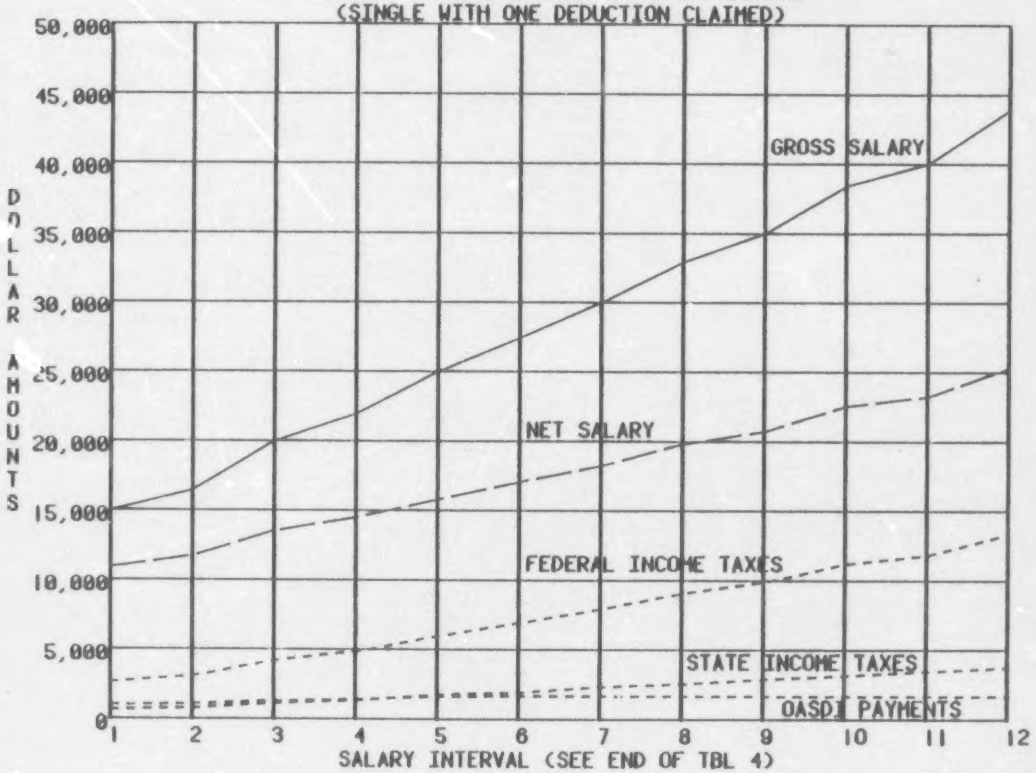


CHART 3

EFFECT OF FEDERAL AND STATE INCOME TAXES AND OASDI PAYMENTS ON GROSS AND NET INCOME (MARRIED WITH TWO DEDUCTIONS CLAIMED)

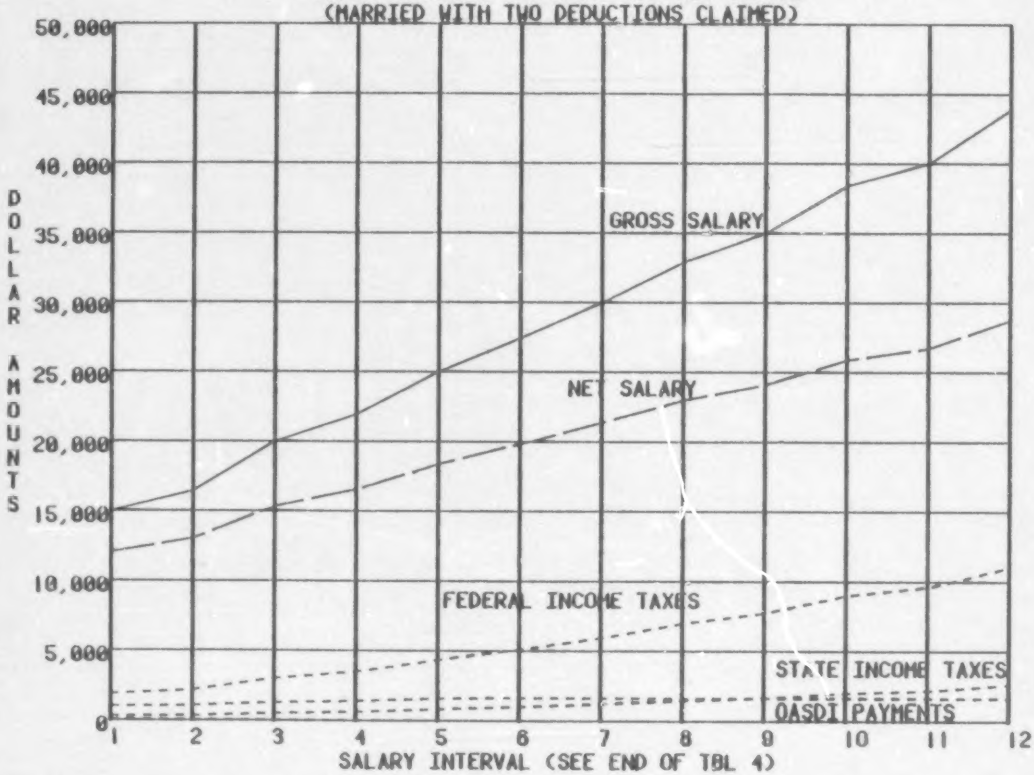
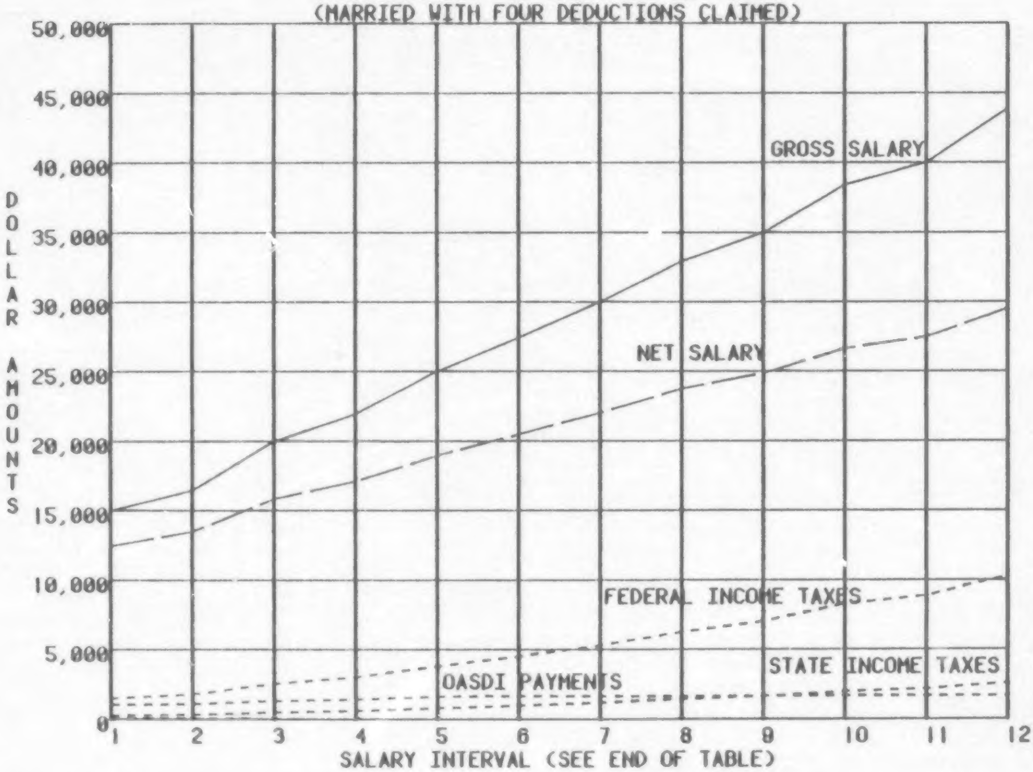


CHART 4

EFFECT OF FEDERAL AND STATE INCOME TAXES AND OASDI PAYMENTS ON GROSS AND NET INCOME (MARRIED WITH FOUR DEDUCTIONS CLAIMED)



LEGEND

Salary Intervals

1. $15,000
2. $16,463
3. $20,000
4. $21,950
5. $25,000
6. $27,438
7. $30,000
8. $32,950
9. $35,000
10. $38,413
11. $40,000
12. $43,900

APPENDIX K

Report on Medical School Clinical Compensation Plans and Clinical Faculty Salaries

University of California and Comparison Institutions

UNIVERSITY OF CALIFORNIA SYSTEMWIDE ADMINISTRATION

BERKELEY · DAVIS · IRVINE · LOS ANGELES · RIVERSIDE · SAN DIEGO · SAN FRANCISCO   SANTA BARBARA · SANTA CRUZ

Office of the Vice President--
Academic and Staff Personnel Relations

BERKELEY, CALIFORNIA 94720

JAN 22 1981

January 19, 1981

Mr. Patrick M. Callan, Director
California Postsecondary Education Commission
1020 Twelfth Street
Sacramento, California 95814

Dear ~~Mr. Callan~~ Pat:

I am pleased to supply three tables pursuant to our responsibility to provide the Commission with data on Medical School Clinical Compensation. There were no exceptions granted by the President to the uniform compensation limitations contained in The Regents' approved Medical School Clinical Compensation Plan.

You will note that there are eight rather than nine participating institutions for this year's survey. The State University of New York has declined to participate in this year's survey for reasons that are unknown to us. If you have any questions concerning these tables, I suggest you contact Assistant Vice President Blakely at 415/642-2626.

Sincerely,

Archie Kleingartner
Vice President

cc: Assistant Vice President Baker
Assistant Vice President Blakely
Special Assistant Hopper
Director Condren

Medicine
Department

December 18, 1980
Date

Effective Date: 1980-81

Key	Professor	Associate Professor	Assistant Professor
E	$82,460	$51,392	$45,633
D	81,575	65,449	58,594
UC	76,067	60,979	51,550
C	74,886	54,263	44,598
A	73,103	61,865	47,911
B	68,573	53,093	43,918
G	68,056	53,697	43,279
F	66,153	58,295	47,925
Average Salary:	$73,859	$57,379	$47,926
Standard Deviation:	$ 6,106	$ 5,022	$ 5,084

Pediatrics	December 18, 1980
Department	Date

Effective Date: 1980-81

Key	Professor	Associate Professor	Assistant Professor
UC	$73,311	$58,550	$44,719
C	70,326	47,164	45,469
A	66,917	54,779	41,923
D	66,806	52,859	45,110
B	65,600	51,800	41,363
E	64,000	65,475	46,486
F	63,708	48,821	41,087
G	59,065	47,699	38,033
Average Salary:	$66,216	$53,393	$43,024
Standard Deviation:	$ 4,322	$ 6,204	$ 2,874

Surgery	December 18, 1980
Department	Date

Effective Date: 1980-81

Key	Professor	Associate Professor	Assistant Professor
D	$127,874	$95,545	$76,420
F	114,076	90,745	71,591
UC	109,773	80,216	69,886
B	102,187	79,714	70,875
A	97,873	76,750	69,929
E	90,743	68,923	52,746
G	90,439	76,022	59,590
C	88,913	-	40,747
Average Salary:	$102,735	$81,131	$63,973
Standard Deviation:	$ 13,733	$ 9,105	$12,046

Office of the President
March, 1979

UNIVERSITY OF CALIFORNIA

REPORT ON MEDICAL SCHOOL CLINICAL COMPENSATION PLANS AND CLINICAL FACULTY SALARIES

TABLE OF CONTENTS

Page

I. CLINICAL COMPENSATION PLANS

General 1

University of California Uniform Medical School Clinical Compensation Plan 3

Comparison Data Survey 4

Selection of Comparison Institutions 5

II. COMPENSATION SURVEY 6

Data Collection 6

Selection of Departments and Disciplines 7

The Method 7

Results of the Clinical Salary Comparison and University of California Standing in Each Category 8

III. EXCEPTIONS TO THE PLAN 9

TABLES

1. Comparison Institutions - Medical Schools 10
2. Medical Practice Plan Typology (Chart) 11
3. Medicine Department Average Salary 12
4. Pediatrics Department Average Salary 13
5. Surgery Department Average Salary 14

APPENDICES

A. Explanation of Medical School Faculty Salary Survey Conducted by the University of California With the Eight Participating Comparison Medical Schools 16

B. Brief Descriptions of the Medical Compensation Plans at the Eight Comparison Medical Schools 19

UNIVERSITY OF CALIFORNIA

Report on Medical School Clinical Compensation Plans and Clinical Faculty Salaries

This report responds to Item 322 of the 1978 Conference Committee's Supplemental Report on the Budget Bill which recommends that:

> UC shall report to CPEC annually on (1) its full-time clinical faculty salaries and those of its comparison institutions (including a description of the type of compensation plans utilized by each UC school and each comparison institution) and (2) the number of compensation plan exceptions in effect at each UC school.

This report discusses the issues in the above supplemental language by providing:

1. a description of the type of compensation plans utilized by each UC school and each comparison institution (Section I);
2. a discussion of the University's full-time clinical faculty salaries and those of its comparison institutions (Section II); and
3. a report on compensation plan exceptions (Section III).

I. Clinical Compensation Plans

General

Clinical compensation plans are compensation arrangements created by medical schools to provide competitive income for physicians and other faculty with direct patient-care responsibility as well as to further the academic goals of the medical schools. As stated by the Association of American Medical Colleges (AAMC) in their December, 1977 report on An In-Depth Study of Seven Medical Practice Plans,

> "The most commonly stated plan objective is the attraction and retention of quality faculty through the provision of acceptable compensation levels not achievable through other salary sources. An additional objec-

tive quite prevalent among the . . . plans is the use of plan revenue to help achieve departmental and schoolwide program enrichment with stable, flexible funds."

The AAMC reviewed the medical practice plans of the 112 M.D. degree-granting fully acredited medical schools in the U.S. and concluded that the plans could be characterized by the degree of central control exercised over the details of the plans' operations, along a "centralized/decentralized" axis. A summary of the three basic types of clinical compensation plans was developed by the AAMC as follows:

Type A - a highly centralized compensation approach, characterized by two basic and interrelated features. First, all patient-care fees are collected and deposited to central accounts, usually with few references to the origin of the bill beyond the requirements of accurate bookkeeping and physician liability and accountability for services rendered. Second, physicians are placed on either individually set or departmentally fixed incomes based on a predetermined compensation schedule which recognizes such features as academic rank, previous or current clinical services, and additional merit or service features.

Type B - an intermediate arrangement in which some common policy framework exists for patient-care fee collection and disbursement. In this approach a general policy is set for all medical school faculty with patient-care responsibilities, requiring that they follow specified billing and collection procedures through a central office or departmental offices. Compensation is determined by a formula which recognizes the productivity of patient-care activities as well as academic factors such as rank and scholarship. Such compensation arrangements usually set broad ranges for total compensation, recognizing the aforementioned features, with set maxima either by department, school, or specialty.

Type C - the least disciplined arrangement, which allows wide variation by individual department or among specialties as to how patient-care fees are collected and subsequently distributed. The most extreme example permits the faculty member to bill and retain virtually all of the billable practice income with some requirement to reimburse the institution for overhead cost (office space, hospital fees, etc.).

Table 2 (p. 11), provides a further description of this medical practice plan typology, indicating by directional arrows the kind of movement that typically occurs in the organization of a practice plan--from no plan to decentralized, to intermediate, and to centralized.

University of California Uniform Medical School Clinical Compensation Plan

The University of California uniform Medical School Clinical Compensation Plan, approved by The Regents in November, 1977 for implementation in 1978, falls within the Type B category. It provides a uniform framework for patient-care billing and sets uniform compensation maxima based on academic rank and step. The Plan provides sufficient flexibility so that specific parameters for the various medical specialties or disciplines within the same department may be established as long as the maximum compensation arrangements established by the Plan are not exceeded.

The key features of this Plan are:

1. The eleven-month regular faculty salary scale approved by The Regents for each faculty rank forms the base salary for all medical school ladder rank faculty. There is no differential in the base salary between medical school faculty and general campus faculty.
2. Arrangements for compensation in addition to the base salary are limited to three types.
   a. Negotiated Income - This is an amount of additional compensation

determined by a department or school that a clinician can earn via contribution of income from patient-care (and certain other specified income sources) to a group or pooled income system. There is an absolute ceiling on this amount, as discussed below.

b. Income Limitation Arrangements - These are arrangements whereby the faculty member may retain, subject to assessments, income directly from patient-care activities. Assessments are progressive and reach a nearly confiscatory level at approximately three times the faculty member's base salary.

c. Combination Plans - These are arrangements whereby faculty members share a predetermined portion of a pooled amount and are allowed to retain individual earnings beyond that amount up to a maximum ceiling.

3. Membership in this Plan is mandatory for all clinical faculty with patient-care responsibility who hold an appointment at 50% or more time, and all income from professional services performed by these faculty is subject to the terms of the Plan.
4. Accounting standards and monitoring practices are specified in the guidelines for implementation of this Plan. Along with the Plan and guidelines, accounting procedures have been developed which are consistent with the Plan objectives.

Comparison Data Survey

One of the principal features of the uniform Medical School Clinical Compensation Plan is a provision for periodic review of the established compensation maxima. In Section IV (Compensation), which sets forth the formulae for deriving maximum compensation, provision IV.B.6 states:

> Compensation levels and assessment rates will be reviewed periodically by the Vice President--Academic and Staff Personnel Relations in light of comparison data from University of California Medical Schools as

well as from other comparison institutions. On the basis of the Vice President's report, the President, after consultation with the Academic Senate, may recommend adjustments in the compensation levels in this Plan to The Regents.

A set of comparison institutions was selected and a statistical method adopted that would yield the requisite data to satisfy this provision of the Medical School Clinical Compensation Plan as well as the requirement for an annual report to the California Postsecondary Education Commission.

Selection of Comparison Institutions

Eight institutions that represent comparable programs were selected from public and private sectors. Five of the institutions are public in character and three are private. The institutions selected represent a diverse spectrum and sufficient variation of settings and practice plan arrangements to provide valid comparisons. Appendix B (see pp. 19-20) provides a brief description of the various compensation plans used by the comparison institutions.

Comparison Institutions

Name	Public or Private	Compensation Plan
*Stanford	Private	yes
State Univ. of New York- Upstate Medical School	Public	yes
Univ. of Chicago	Private	yes
*Univ. of Illinois	Public	no
*Univ. of Michigan	Public	yes
Univ. of Texas, Houston	Public	yes
*Univ. of Wisconsin	Public	yes
*Yale University	Private	yes

The comparison institutions included five that are also in the general campus survey (noted by asterisks). In addition, the University of Texas, Houston, and the State University of New York-Upstate Medical School were selected because they are part of larger multicampus systems with more than one medical school.

II. Compensation Survey

A. Data Collection

Compensation plan information was obtained from the eight comparison medical schools by means of a questionnaire (see Appendix A, pp. 16-18). The questionnaire was followed by phone calls, and a special meeting which took place during the October, 1978 meeting of the AAMC in New Orleans. At that special meeting of the comparison schools, there was an extended discussion of the practical aspects of medical salary and practice plan management, and arrangements were made to meet and/or consult each year and to regularly exchange data. Further, Mr. William L. Storey, Higher Education specialist with the California Postsecondary Education Commission, was consulted about this comparison study, and has agreed to meet to discuss in detail the methodology and conclusions.

B. Selection of Departments and Disciplines

Comparison of medical schools' salaries raises problems which do not occur in comparing salaries of general campuses. On general university campuses, overall salary averages for a given professorial rank are a good reflection of what the individual faculty member is actually paid at that rank. In medical schools, however, there is great variation in individual salaries, and an overall salary average for a given medical school is statistically unreliable. For that reason, it was not possible to use overall salary averages from the comparison medical schools in this study. Statistics from the annual AAMC report of clinical salaries were similarly of little utility since they tend to aggregate salaries from a variety of clinicians, both full and part-time, without sufficient disaggregation in the sample to make the data useful for this survey. The method that was devised to avoid the above problems was to select a stratified sample of three clinical specialties which are commonly found in schools of medicine and which typically represent a range of compensation within medical schools. The three clinical specialties selected are (a) Pediatrics, typically at a lower level of compensation; (b) Medicine, typically at a mid-level compensation; and (c) Surgery, typically at a higher compensation. These three clinical specialties are taken as representative of the medical schools at large and are used as the base for developing the data for this study. The salary data received from the thirteen medical schools (five from UC and eight from comparison insitutions) are treated as follows: a single weighted-average compensation is constructed from the five UC medical school responses for each of the three specialties. That weighted average is displayed in a ranked table (ranked by professorial compensation) together with the responses from the eight comparison medical schools (see Tables 3, 4, and 5, pp. 12, 13, and 14).

C. The Method

For each of the specialties a simple average of the resulting table of nine weighted averages is then calculated, as well as the standard deviation, and entered at the bottom of each of Table 3, 4 and 5. The single average for the five medical schools is examined in each of the three ranked tables to determine where that average falls within the sample of nine weighted averages; i.e., whether or not that particular average deviates significantly from the general average. The tables reflect the following:

a. where the UC average falls within one standard deviation;

b. where the UC average is with respect to the average for the group as a whole; and

c. whether the UC average is within one standard deviation of the group average.

If the UC average is, in fact, within one standard deviation from the group average, then the UC average can be considered to be not statistically different from that of the group as a whole.

D. Results of the Clinical Salary Comparison and University of California Standing in Each Category

Tables 3, 4, and 5 (see pp. 12, 13, and 14) indicate that the University's average compensation is consistent with the overall average for each specialty, as displayed below:

AVERAGE FULL PROFESSOR COMPENSATION - ABSTRACTED FROM TABLES 3, 4, 5.

Medicine		Pediatrics		Surgery	
High	67,000	High	67,000	High	88,000
Average	60,440	UC	59,000	Average	79,440
UC	59,000	Average	57,560	UC	75,000
Low	54,000	Low	51,000	Low	67,000

From the table above, the following conclusions are drawn:

1. In Medicine (Table 3, p.12), average professorial compensation ranges from a high of $67,000 per year to a low of $54,000, with an average of $60,440. The UC average for Medicine is $59,000, slightly below the group average.

2. In Pediatrics (Table 4, p.13), average professorial compensation ranges

from a high of $67,000 per year to a low of $51,000, with an average of $57,560. The UC average for Pediatrics is $59,000, slightly (but not significantly) higher than the group average (within one standard deviation from the average).

3. In Surgery (Table 5, p. 15), average professorial compensation ranges from a high of $88,000 per year to a low of $67,000, with an average of $79,440. The UC average for Surgery is $75,000, somewhat (but not significantly) below the group average.

Within each of the three specialties, the spread of salaries is not great, supporting the assumption that the selected medical schools are comparable. In each of the tables for the three specialties, the University's average compensation is close to the overall average, as is displayed in the table above. For these reasons, the compensation being paid in University of California medical schools can be considered to be representative, competitive and appropriate. Therefore, there appears to be no need at this time to alter the current compensation formulas.

III. Exceptions to the Plan

Requests for exceptions, including individual exceptions, to the Medical School Clinical Compensation Plan may originate with the individual department, and, subject to approval by the Dean, are then forwarded to the campus Chancellor for the next approval step. The Chancellor then consults with the campus Academic Senate. If the Chancellor approves the exception, the request is recommended to the President for final approval. All approved exceptions to compensation limits must be reported to the Board of Regents.

As part of the implementation of the Plan it was agreed that certain limited existing arrangements would be permitted to continue. Other than these exceptions, no individual exceptions have been made. Irvine has been permitted to delay implementation of the Plan until January, 1980 in order to accommodate the campus conversion from a gross to a net clinical fee compensation plan.

TABLE 1

COMPARISON INSTITUTIONS - MEDICAL SCHOOLS

Stanford University

State University of New York -
Upstate Medical School

University of Chicago

University of Illinois

University of Michigan

University of Texas, Houston

University of Wisconsin

Yale University

TABLE 2

MEDICAL PRACTICE PLAN TYPOLOGY

PLAN FEATURES	TYPE A Centralized ←	TYPE B Intermediate ←	TYPE C Decentralized
Organization & Participation			
* Structure	A discretely recognized entity, either within or external to the medical school, having its own personnel, budget and procedural guidelines.	A common framework for clinical practice activity exists within which departmental or specialty groups function.	A variety of clinical practice arrangements for academic departments or medical specialties are permitted.
* Policy Determination	All practicing clinicians are included and directly and/or indirectly through their representatives meet with institutional officials to focus only on clinical practice - related issues.	Most clinical disciplines are participants in deliberations about clinical practice - related issues identified by institutional officials.	Executive faculty and the dean consult as necessary during the routine conduct of general meetings.
Operations			
* Administration	A full-time manager supervises the day-to-day plan operation with responsibility for all administrative services supporting the practice of medicine.	A member of the dean's regular administrative staff is the locus for coordination of many plan support services.	Either the department head or his designate directs administrative support services.
* Fee Handling	All clinical practice related revenue flows through the Plan Office which renders bills, collects fees and disburses income.	Uniform procedures for billing, collection and disbursement of fees are implemented.	Options for billing, collection or disbursement of fees are available to academic departments or medical specialties.
Private Medical Schools	12	10	3
Public Medical Schools	21	16	5

The above table is taken from An In-Depth Study of Seven Medical Practice Plans--Association of American Medical Colleges, December, 1977, p. 14.

The arrows show the kind of movement that typically occurs in the organization of a practice plan, from no plan, to decentralized, to intermediate, and to centralized.

APPENDIX A

UNIVERSITY OF CALIFORNIA

Annual Medical School Faculty Salary Survey

Instructions

The form will be provided for three departments only, General Medicine, Pediatrics, and Surgery. Three categories of compensation are identified with definitions. These are:

1. Base or Guaranteed Component - the base salary derived from University of California salary scales for that rank and guaranteed by the University exclusive of fringe benefits;
2. University of California Uniform Medical School Clinical Compensation, or expected compensation, not including the base salary described in 1, above, which is received through or as a result of the operation of, and the individual faculty member's participation in, the University of California Uniform Medical School Clinical Compensation Plan, and
3. Grand Total Compensation - the sum of the monies associated with items 1 and 2 above, divided by the head count for that line of the questionnaire.

In each case, one calculates the average for each box in the questionnaire by totalling all the monies involved in that category and then by dividing by the head count for that line of the questionnaire. Reasonable estimates of the year's earnings should be reported or last year's actual earnings with any estimated increment. Please specify the method used in the "comments" section at the bottom of each questionnaire.

For the departments specified above, include only 12 month salaries for full-time paid faculty utilizing September 1 budget figures whenever possible. Include the full salary of faculty on sabbatical leave. Exclude those faculty at affiliated institutions, full salary for vacant positions, house staff and fellows in all ranks and part-time and volunteer faculty.

Attached is a list of the subspecialties to be included within three departments (General Medicine, Pediatrics and Surgery). If you have any questions, please phone R.D. Menhenett at (415):642-1454.

SURGERY

GENERAL SURGERY
THORACIC
CARDIO-VASCULAR
E.N.T.
UROLOGY
NEUROSURGERY
ORTHOPEDICS
PLASTIC

MEDICINE

GENERAL
CARDIOLOGY
ENDOCRINOLOGY
GASTROENTEROLOGY
HEMATOLOGY
HEPATOLOGY
INFECTIOUS DISEASE
NEPHROLOGY
RHEUMATOLOGY
PULMONARY

PEDIATRICS

ALL, INCLUDING
PEDIATRIC
CARDIOLOGY

203

CAMPUS ______________

____
DATE THE REPORT WAS PREPARED

UNIVERSITY OF CALIFORNIA
MEDICAL SCHOOL FACULTY SALARY SURVEY

DEPARTMENT __________________________

EFFECTIVE DATE ______________

RANK		COMPENSATION		
Rank	Headcount	Base Salary or Guaranteed Component (Average)*	Uniform Compensation Plan Component (Average)*	Grand Total Compensation (Average)*
Professor				
Associate Professor				
Assistant Professor				
Instructor				

*Average sal[illegible]r each of the three compensation columns should be computed by dividing the total dollars by the headcount for each rank.

Comments or qualifications: ______________________

APPENDIX B

Brief Descriptions of the Medical Compensation Plans at the Eight Comparison Medical Schools

1) Stanford University

Stanford has a new practice plan that is currently being written and is not yet available.

2) State University of New York - Upstate Medical School

Overall management of the practice plan is vested in a governing board consisting essentially of the President, the Dean of the Medical School and the medical school department chairmen. The departments have considerable autonomy, and keep the accounts and do the billing. The State is paid for overhead costs, and the Medical School levies a surcharge on gross practice plan income for its own use. (A Type "B" or Type "C" Plan)

3) University of Chicago

General guidelines are issued to the departments by the Dean's office. Within those guidelines, individual practice plans are negotiated on a departmental basis. The medical school is experimenting with a surcharge, and with various kinds of non-salary incentives. Currently, however, the individual departments have a good deal of autonomy. (A Type "C" Plan)

4. University of Illinois

No formal practice plan exists. The medical school provides centralized billing facilities. Beyond that, what happens is the result of individual negotiation between the individual faculty member, his department and the Dean's office.

5. University of Michigan

The plan is centralized, with a formal central business office run by a full-time Director who reports directly to the Dean of the Medical School. The central business office establishes policy, does billing and handles disbursements. The individual departments have comparatively little autonomy. The plan was phased in gradually over the five-year period from 1973 to 1978. (A Type "A" Plan)

6) University of Texas at Houston

The plan is controlled by a Board of Directors consisting of the President, V.P. for Business Affairs and the department chairmen. The plan provides for central billing and disbursement of funds; however, individual faculty salaries are set through individual negotiation between a faculty member and his department chairman. The departments have considerable autonomy. (A Type "B" or Type "C" Plan)

7) University of Wisconsin

Although a written plan exists, its net effect is to vest authority in the individual departments. Each department creates in effect its own individual practice plan and does pretty much as it pleases, subject to certain maximum salary constraints written into the central plan. (A Type "B" or Type "C" Plan)

8) Yale University

The practice plan consists of a series of brief salary guidelines published by the Dean which set up a framework for salary payment and establish the permissible salary ranges within which an individual faculty member may be paid. Each department develops its own practice plan, in negotiation with the Dean's office. Individual salaries are recommended by the department chairman and approved by the Dean. (A Type "C" Plan)

211

APPENDIX L

Letter From Associate Director O'Brien to Chancellor Hayward

August 9, 1979

Gerald Hayward
Director of Legislative and
 Public Affairs
California Community Colleges
1238 S Street
Sacramento, California 95814

Dear Jerry:

As you know, the Legislature took several actions during the current session concerning the reporting of salary data. The first of these emanated from the Legislative Analyst's report and requires the Commission to include the Community Colleges in our annual reports on University of California and California State University and Colleges faculty salaries. The second action appropriated $15,000 to the Chancellor's Office for the purpose of collecting salary data for the 1978-79 and 1979-80 fiscal years. The latter action, however, did not specify the type of information to be collected.

It is my understanding that you discussed this subject with Bill Storey and agreed that we should develop a detailed list of the information we will require for our report. After that, I presume you will contact us if there are any questions ar ambiguities.

Our questions fall into three categories: (1) full-time faculty, (2) part-time faculty, and (3) administrators. For each of these, we will need the following:

Full-time faculty

1. A listing of all salary classifications (e.g., BA + 30, MA, etc.) for each Community College district.
2. The actual salary at each step of each classification.
3. The number of faculty at each step of each classification.
4. The amounts of any bonuses that are granted to faculty, the number of faculty receiving them, the total salary of every faculty member receiving a bonus, and the reason for granting the bonus.

5. The percentage increase in salary granted (i.e., the range adjustment) for the fiscal year covered by the report.
6. The total number of full-time faculty in each district.
7. The mean salary received by those full-time faculty.
8. The total dollar amount paid to full-time faculty as a group.

Part-time faculty

1. The total number of part-time faculty employed by each district on both a headcount and full-time-equivalent (FTE) basis.
2. The mean salary paid to each headcount faculty member in each district.
3. The mean salary paid to each FTE faculty member in each district.
4. The total dollar amount paid to all part-time faculty in each district.
5. A summary of the compensation plan for part-time faculty members in each district.

Administrators

1. A list of all administrative positions (titles) in each district.
2. The salary schedule for each position.
3. The number of headcount and FTE employees occupying each administrative position.
4. The actual salary paid to each employee in each administrative position.
5. The percentage increase in salary granted (i.e., the range adjustment) for the fiscal year covered by the report.

A few words of explanation may be in order. The data requested for full-time faculty is very similar to that which has been collected by the Chancellor's Office for a number of years but which was not collected for 1978-79 due to Proposition 13 reductions. The only major difference relates to the detail on bonuses which was not clearly presented in prior reports.

We are asking for data on part-time faculty because of objections raised by Community College representatives. At the time our preliminary report on Community College salaries was presented, many Community College representatives, including those from the Chancellor's Office, complained that the data were misleading because part-time faculty were not included. To avoid that difficulty in the future, it is imperative that data on these faculty be included in next year's report to the Legislature.

We are also asking for data on administrators because of the concerns expressed by both the Legislature (on the subject of academic administration generally) and various Community College faculty organizations. I am not sure we will publish any of the data on administrators but we do want to be able to respond to questions should they arise.

The final item concerns the dates for receipt of the data. As you know, we publish two salary reports each year. Since the University and the State University report to us each year by November 1, we think it would be appropriate to set November 1 as a reporting date (for the 1978-79 data) for the Chancellor's Office as well. For the 1979-80 data, we would like to have a report by March 1 so that we may include it in our final report to the Legislature. In future years, the March 1 date should become permanent.

If you have any questions concerning any of these matters, please let me know.

Sincerely,

Kenneth B. O'Brien, Jr.
Associate Director

KBOB:mc

APPENDIX M

Information From the Chancellor's Office Report on Community College Faculty Salaries

TABLE A

COMMUNITY COLLEGE DISTRICTS WITH INCONSISTENCIES IN FULL-TIME FACULTY HEADCOUNT

District	Faculty Count in Chancellor's Office Table 1	Faculty Count in Chancellor's Office Table 2A
Cabrillo	176	177
Coachella Valley	101	102
Compton	76	74
Grossmont	238	234
Hartnell	105	109
Imperial	86	85
Pasadena	363	358
Rancho Santiago	232	228
Redwoods	111	119
Santa Clarita	0*	47
Solano	120	121

---

*Where a "0" appears in Tables A through E, it cannot be determined if a count of zero is intended or if a district simply did not respond.

TABLE B

COMMUNITY COLLEGE DISTRICTS WITH INCONSISTENCIES IN FULL-TIME FACULTY WITH OVERLOAD HEADCOUNT

District	Faculty Count in Chancellor's Office Table 3A	Faculty Count in Chancellor's Office Table 5
Coast	266	0
Contra Costa	251	244
Fremont-Newark	48	56
Grossmont	142	181
Kern	112	0
Lassen	18	20
Long Beach	169	172
Los Rios	202	250
N. Orange	280	372
Pasadena	145	127
Rio Hondo	51	0
San Diego	192	0
Sierra	57	58
Siskiyous	28	30
Solano	55	54
Sweetwater	71	91
West Valley	98	112
Yuba	48	49

TABLE C

COMMUNITY COLLEGE DISTRICTS WITH INCONSISTENCIES IN PART-TIME FACULTY HEADCOUNT

District	Faculty Count in Chancellor's Office Table 1	Faculty Count in Chancellor's Office Table 4
Coachella Valley	209	255
Coast	1,959	0
El Camino	316	314
Fremont-Newark	281	314
Grossmont	356	480
Kern	777	0
Los Rios	786	1,099
North Orange	1,019	1,276
Palomar	377	378
Palo Verde	23	24
Pasadena	439	459
Rio Hondo	170	0
San Bernardino	507	675
San Diego	2,188	0
San Francisco	1,359	1,354
San Jose	526	530
San Luis Obispo	86	87
Santa Monica	494	514
Sonoma	588	582
Sweetwater	265	301
West Kern	44	41
West Valley	616	743
Yosemite	306	302

TABLE D

DISTRICTS NOT REPORTING WEEKLY FACULTY CONTACT HOURS FOR VARIOUS CATEGORIES OF FACULTY

District	Full-Time Faculty (No Overload)	Full-Time Faculty (With Overload)	Part-Time Faculty
Kern	X	X	X
Rio Hondo	X	X	X
San Diego	X	X	X
Santa Clarita	X	X	X
Shasta-Tehama-Trinity		X	
Victor Valley		X	

TABLE E

INCONSISTENCIES IN WFCH COUNTS FOR PART-TIME FACULTY

District	Table 3A	Table 4
Coast	7,836	0
Contra Costa	2,371	2,375
Foothill-De Anza	4,865	4,863
Lassen	899	900
Los Rios	3,235	3,217
Marin	1,136	1,137
Monterey Peninsula	1,542	1,541
Mt. San Jacinto	329	331
North Orange	5,752	5,934
Palomar	1,743	1,750
Pasadena	2,584	2,484
Peralta	5,980	5,981
Rancho Santiago	4,702	4,701
San Francisco	10,003	9,986
San Joaquin Delta	1,139	1,131
San Jose	2,437	2,457
San Mateo	2,841	2,839
Siskiyou	368	398
Sonoma County	1,251	3,197
State Center	675	676
Ventura County	4,286	4,289
Yosemite	1,572	1,564
Yuba	845	855